BOARD OF VISITORS

MEETING

March 24-25, 2025

Virginia Polytechnic Institute and State University

Board of Visitors Meeting Schedule
March 24-25, 2025

Monday, March 24: *Attire is business/business casual; meetings are at The Inn in Latham A/B*

9:30 a.m.	**Information Session for full Board**
11:30 a.m.	**Official Board photo**
11:45 a.m.	**Lunch for Board members with invited student representatives** in Solitude Room
1:15 p.m.	**Finance & Resource Management Committee** – Closed and Open Sessions
3:15 p.m.	**Academic, Research, & Student Affairs Committee** – Open and Closed Sessions
6:00 p.m.	**Dinner for Board members**

Tuesday, March 25: *Attire is business/business casual; morning meetings are at The Inn*

7:45 a.m.	**Committee Chairs meeting** with administrators in Open Session in Old Guard, The Inn
8:30 a.m.	**Compliance, Audit, & Risk Committee** meets in Closed Session in Latham C
9:30 a.m.	**Buildings & Grounds and Finance & Resource Management Committees** meet jointly in Open, then Closed Sessions in Latham A/B
11:00 a.m.	**Buildings & Grounds Committee** meets in Open Session in Latham A/B
11:00 a.m.	**Compliance, Audit, & Risk Committee** meets in Open Session in Latham C
11:45 p.m.	**Lunch** for Board Members and invited administrators in Latham Ballroom DEF
1:15 p.m.	**NOTE LOCATION CHANGE** **Full Board Meeting** in ~~Torgersen Hall Board Room (2100)~~ Latham A/B, The Inn
4:00 p.m.	(time approximate) Meeting adjourns. Board members depart Blacksburg

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Tab K **<u>Open Session President's Report</u>**

Tab L **<u>Constituent Reports – (No action required)</u>** Time permitting, Constituent Reports will be delivered at the Board's Information Session Monday, March 24, 2025

- Undergraduate Student Representative to the Board – Leslie Orellana
- Graduate/Professional Student Representative to the Board – William Poland
- Staff Representative to the Board – LaTawnya Burleson
- Administrative and Professional Faculty Representative to the Board – Janice Austin
- Faculty Representative to the Board – Rachel Miles

Tab M **Motion to Begin Closed Session**

Tab N **Closed Session Agenda** – Tuesday, March 25, 2025

Tab O **<u>Closed Session Salary and Personnel Actions for Board Approval</u>**

- Resolution to Approve Appointments to Emeritus/a Status (19)
- Resolution to Approve Appointments to Endowed Chairs, Professorships, or Fellowships (15)
- Resolution to Approve Reappointments to Endowed Chairs, Professorships, or Fellowships (2)
- Resolution to Approve Appointment to University Distinguished Professor (1)
- Resolution to Approve Appointment to Alumni Distinguished Professor (1)
- Resolution to Approve Appointments with Tenure (2)
- Resolution to Approve Appointments with Tenure-to-Title (2)
- Resolution to Approve Faculty Research Leaves (92)
- *Resolution to Ratify Personnel Changes Report

Tab P **<u>Closed Session President's Report and Items for Board Approval</u>**

- Resolutions to Approve Conferral of Special Awards (2)
- Approval of Resolution for Facility Naming (1)

Tab Q **Ratification of 2025-26 Student Representatives to the Board**

Tab R **Closed Session Reports** – (No action required)

- Litigation Report

Tab S **Motion to Return to Open Session**

Tab T **Appointment of the Nominating Committee for Officers of the Board**

Tab U **Appointment of the 2025 Retreat Planning Committee**

These items have been reviewed by the Academic, Research, and Student Affairs Committee and the Finance and Resource Management Committee of the Board of Visitors.

*****These items have been reviewed by the Buildings and Grounds Committee and the Finance and Resource Management Committee of the Board of Visitors.***

<u>There is no public comment period at this meeting.</u>

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

ADMINISTRATIVE STAFF:

Dr. Timothy D. Sands: President
Dr. Cyril R. Clarke: Executive Vice President and Provost
Ms. Amy Sebring: Executive Vice President and Chief Operating Officer

Mr. Simon Allen: Vice President for Finance and Chief Financial Officer
Ms. Lynsay Belshe: Vice President for Auxiliary and Business Services
Mr. Dwyn Taylor: Vice President for Campus Planning, Infrastructure, and Facilities
Dr. Lance Collins: Vice President and Executive Director for the Innovation Campus
Dr. Michael J. Friedlander: Vice President for Health Sciences and Technology
Mr. Bryan Garey: Vice President for Human Resources
Dr. Guru Ghosh: Vice President for Outreach and International Affairs
Dr. Frances B. Keene: Vice President for Student Affairs
Ms. Sharon M. Kurek: Vice President for Audit, Risk, and Compliance and Chief Risk Officer
Dr. Steven H. McKnight: Vice President for Strategic Research Alliances
Ms. Kim O’Rourke: Vice President for Policy and Governance and Secretary to the Board
Mr. Mark Owczarski, Interim Vice President for Communications and Marketing
Mr. Charles D. Phlegar: Senior Vice President for Advancement
Ms. Sharon Pitt: Vice President for Information Technology and Chief Information Officer
Dr. Menah Pratt: Vice President for Inclusive Strategy and Excellence
Dr. Daniel Sui: Senior Vice President and Chief Research and Innovation Officer
Dr. Lisa J. Wilkes: Vice President for Strategic Initiatives and Special Assistant to the President
Mr. Christopher Yianilos: Vice President for Government and Community Relations

Ms. Kay K. Heidbreder: University Legal Counsel

BOARD OF VISITORS
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
Committee Assignments for 2024-25

Academic, Research, and Student Affairs Committee
Nancy Dye*, Committee Chair*
Sandy Davis
Bill Holtzman
Don Horsley
Tish Long
J. Pearson
Jeanne Stosser

Buildings and Grounds Committee
Tish Long, *Committee Chair*
Sandy Davis
Nancy Dye
Bill Holtzman
Don Horsley
J. Pearson
Jeanne Stosser

Compliance, Audit, and Risk Committee
Anna James, *Committee Chair*
Dave Calhoun
Starlette Johnson
Ryan McCarthy
Jim Miller
John Rocovich

Finance and Resource Management Committee
Dave Calhoun, *Committee Chair*
Anna James
Starlette Johnson
Ryan McCarthy
Jim Miller
John Rocovich

Governance and Administration Committee
Sandy Davis, *Committee Chair*
Dave Calhoun
Nancy Dye
Anna James
Tish Long

Executive Committee (6 members)
Ed Baine, Rector
Nancy Dye, *Academic, Research, and Student Affairs Committee Chair*
Tish Long, *Buildings & Grounds Committee Chair*
Anna James, *Compliance, Audit, and Risk Committee Chair*
Dave Calhoun, Vice Rector, *Finance and Resource Management Committee Chair*
Sandy Davis, *Governance and Administration Committee Chair*

The Rector is an ex officio member of all standing committees when in attendance.

The constituent representatives will sit in on the committee meetings of their choice:
Faculty Senate President – Rachel Miles
Administrative and Professional Faculty Senate President – Janice Austin
Staff Senate President – LaTawnya Burleson
Graduate/Professional Student Representative – William Poland
Undergraduate Student Representative – Leslie Orellana

Virginia Tech Board of Visitors Meeting

Information Session

Monday, March 24, 2025
9:30 a.m.

The Inn – Latham Ballroom A/B
Virginia Tech Campus

Northern Virginia Regional Strategy

- Dr. Julie Ross, Paul and Dorothea Torgersen Dean of Engineering and Special Advisor to the President

Tuition and Fees Update

- Ms. Amy Sebring, Executive Vice President and Chief Operating Officer
- Mr. Simon Allen, Vice President for Finance and Chief Financial Officer

Constituent Reports

- Ms. Leslie Orellana, Undergraduate Student Representative to the Board
- Mr. William Poland, Graduate/Professional Student Representative to the Board
- Ms. LaTawnya Burleson, Staff Representative to the Board
- Dr. Janice Austin, Administrative and Professional Faculty Representative to the Board
- Ms. Rachel Miles, Faculty Representative to the Board

MINUTES

November 19, 2024

The Board of Visitors of Virginia Polytechnic Institute and State University met on Tuesday, November 19, 2024, at 1:15 p.m. in Torgersen Hall Boardroom (Room 2100), Virginia Tech Campus, 620 Drillfield Drive, Blacksburg, Virginia 24061.

Present	**Absent**
Edward H. Baine (Rector)	Letitia A. Long
David Calhoun (Vice Rector)	
Sandy C. Davis (via Zoom)*	
Nancy Dye	
William Holtzman	
Donald Horsley	
Anna L. James	
Starlette Johnson	
Ryan D. McCarthy	
Jim Miller	
J. Pearson	
John Rocovich	
Jeanne Stosser	

Constituent Representatives:
Leslie Orellana, Undergraduate Student Representative
William Poland, Graduate/Professional Student Representative
LaTawnya Burleson, Staff Representative
Janice Austin, Administrative and Professional Faculty Representative
Absent: Rachel Miles, Faculty Representative

*One Board member participated remotely from her home for medical reasons in accordance with Code of Virginia §2.2-3708.3(B). A quorum was physically present.

Also present were the following: President Timothy Sands, Kim O'Rourke (Secretary to the Board), Simon Allen, Lauren Augustine, Lynsay Belshe, Eric Brooks, Brock Burroughs, Cyril Clarke, Al Cooper, Deborah Day, Corey Earles, Juan Espinoza, Ron Fricker, Rachel Gabriele, Ellington Graves, Rebekah Gunn, Chelsea Haines, Dee Harris, Kay Heidbreder, Cyndi Hutchison, Andrew Jessup, Frances Keene, Annabelle Kinney, Sharon Kurek, Tsai Lu Liu, Elizabeth McClanahan, Nancy Meacham, Jeff Mitchell, Mike Mulhare, Mark Owczarski, Charlie Phlegar, Kevin Pitts, Lauren Pollard, Paul Richter, Lori Rose, Lisa Royal, Saonee Sarker, Amy Sebring, Brennan Shepard, Jaida Smith, Dee Dee Somervell, Michael Staples, Michael Stowe, Dan Sui, Aimee Suprenant, John Tarter, Don Taylor, Dwyn Taylor, Mollie Taylor, and Jon Clark Teglas.

The meeting was livestreamed for the public via YouTube; there were 42 concurrent views on YouTube and a total of 58 views.

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There was no public comment period.

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Rector Baine convened the meeting and welcomed everyone. He noted that the previous day, the board held a livestreamed information session and also toured the Power Plant and Chiller Plant.

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APPROVAL/ACCEPTANCE OF THE CONSENT AGENDA OPEN ITEMS*
(Refer to Attachments A through O)

[*Note: Items on the consent agenda are matters of importance that have been reviewed carefully by members of the board in preparation for the meeting but have been determined not to require discussion by the board or its committees.]

Rector Baine asked for a motion to approve/accept the consent agenda open session items as listed. The motion was made by Mr. Rocovich, seconded by Mr. Calhoun, and approved unanimously.

- **Minutes of the August 28, 2024, BOV Meeting**
- **Minutes of the Information Session on November 18, 2024** - Attachment A
- **Minutes of the November 19, 2024, Committee Chairs Meeting** - Attachment B
- **Academic, Research, and Student Affairs Committee General Report (11/19/24)** - Attachment C
- **Buildings and Grounds Committee General Report (11/19/24)** - Attachment D
- **Compliance, Audit, and Risk Committee General Report (11/18/24 & 11/19/24)** - Attachment E
- **Finance and Resource Management Committee General Report (11/19/24)** – Attachment F
- **Governance and Administration Committee General Report (11/18/24) –** Attachment G

From the Academic, Research and Student Affairs Committee Consent Agenda:

- **Approval of Appointments and Reappointments to the Virginia Coal Research and Development Advisory Board** – Attachment H

- **Resolution to Discontinue Bachelor of Science (B.S.) Degree Program in Systems Biology** – Attachment I

From the Finance and Resource Management Committee Consent Agenda:

- **Ratification of Lease Activities Approved by the University** – Attachment J

- **Ratification of Subscription-Based Information Technology Arrangements (SBITA) under GASB-96** – Attachment K

- **Approval of Debt Refinancing Resolution** – Attachment L

From the Governance and Administration Committee Consent Agenda:

- **Approval of Resolution Clarifying Board of Visitors Action** - Attachment M

- **Approval of an Appointment to the New River Valley Passenger Rail Station Authority** - Attachment N

Consent agenda information item; no Board of Visitors action required:

- **Report of Research and Development Disclosures** - Attachment O

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REPORT OF THE ACADEMIC, RESEARCH, AND STUDENT AFFAIRS COMMITTEE

Rector Baine called on Dr. Dye for the report of the Academic, Research, and Student Affairs Committee.

As part of the Academic, Research and Student Affairs Committee report, approval of the following resolution was moved by Dr. Dye, seconded by Mr. Calhoun, and passed unanimously.

Resolution to Approve Appointments to Endowed Chairs, Professorships, or Fellowships (1) - Attachment W

Note: Mr. Pearson recused himself from voting on the Resolution to Approve Appointments to Endowed Chairs, Professorships, or Fellowships. There was no discussion of the resolution.

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As part of the Academic, Research and Student Affairs Committee report, approval of the following resolution was moved by Dr. Dye, seconded by Mr. Calhoun, and passed unanimously.

Resolution for a Master of Science (M.S.) Degree Program in Water Resources

> **That the resolution for a Master of Science (M.S.) Degree Program in Water Resources be approved.** (Copy filed with the permanent minutes and marked Attachment P.)

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As part of the Academic, Research and Student Affairs Committee report, approval of the following resolution was moved by Dr. Dye, seconded by Mr. Calhoun, and passed unanimously.

Resolution for a Master of Arts in Education (M.A.Ed.) Degree Program in Reading and Literacy Education

> **That the resolution for a Master of Arts in Education (M.A.Ed.) Degree Program in Reading and Literacy Education be approved.** (Copy filed with the permanent minutes and marked Attachment Q.)

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REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Rector Baine called on Mr. Horsley for the report of the Buildings and Grounds Committee. The Buildings and Grounds Committee chair, Letitia Long, was absent for today's board meeting.

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REPORT OF THE COMPLIANCE, AUDIT, AND RISK COMMITTEE

Rector Baine called on Ms. James for the report of the Compliance, Audit, and Risk Committee.

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REPORT OF THE FINANCE AND RESOURCE MANAGEMENT COMMITTEE

Rector Baine called on Mr. Calhoun for the report of the Finance and Resource Management Committee.

As part of the Finance and Resource Management Committee report, approval of the following report was moved by Mr. Calhoun, seconded by Mr. Rocovich, and passed unanimously.

Approval of Year-to-Date Financial Performance Report
(July 1, 2024 – September 30, 2024)

That the report of income and expenditures for the University Division and the Cooperative Extension/Agricultural Experiment Station Division for the period of July 1, 2024, through September 30, 2024, be approved. (Copy filed with the permanent minutes and marked Attachment R.)

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As part of the Finance and Resource Management Committee report, approval of the following resolution was moved by Mr. Calhoun, seconded by Mr. Rocovich, and passed unanimously.

Revisions to the 2024-2030 Six-Year Plan

That the revisions to the 2024-2030 Six-Year Plan be approved. (Copy filed with the permanent minutes and marked Attachment S.)

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As part of the Finance and Resource Management Committee report and with the endorsement of the Buildings and Grounds Committee, approval of the following resolution was moved by Mr. Calhoun, seconded by Mr. Rocovich, and passed unanimously.

Resolution for the Capital Planning Project for a
New Virginia Tech Rescue Squad Facility

That the resolution authorizing Virginia Tech to move forward with a planning project for a new Virginia Tech Rescue Squad facility be approved. (Copy filed with the permanent minutes and marked Attachment T.)

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REPORT OF THE GOVERNANCE AND ADMINISTRATION COMMITTEE

Rector Baine called on Dr. Dye for the report of the Finance and Resource Management Committee. Dr. Dye chaired the committee meeting in place of committee chair Sandy Davis, who participated remotely for medical reasons.

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CONSTITUENT REPORTS (no action required)

Constituent reports were delivered orally at the board's Information Session on November 18, 2024.

- Undergraduate Student Representative – Leslie Orellana
- Graduate and Professional Student Representative – William Poland
- Staff Representative – LaTawnya Burleson
- Administrative and Professional Faculty Representative – Janice Austin
- Faculty Representative – Rachel Miles

(Copies filed with the permanent minutes and marked Attachment U.)

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PRESIDENT'S REPORT

A copy of President Sands' remarks to the Board of Visitors is filed with the permanent minutes and marked Attachment V.

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Motion to Begin Closed Session

Mr. Calhoun moved that the Board convene in a closed meeting, pursuant to § 2.2-3711, <u>Code of Virginia</u>, as amended, for the purposes of discussing:

1. Appointment of faculty to emeritus status, the consideration of individual salaries of faculty, consideration of endowed professors, review of departments where specific individuals' performance will be discussed, and consideration of personnel changes including appointments, resignations, tenure, and salary adjustments of specific employees and faculty leave approvals.

2. The status of current litigation and briefing on actual or probable litigation.

3. Special awards.

4. Discussion of joint bids on a proposal for a research project where the financial interests of Virginia Tech, if the terms of the proposal were disclosed publicly, would be impacted.

all pursuant to the following subparts of 2.2-3711 (A), <u>Code of Virginia</u>, as amended, .1, .6, .7, .9, and .11.

The motion was seconded by Mr. Rocovich and passed unanimously. The livestream was suspended.

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CLOSED SESSION REPORTS
(No Board action required)

Litigation report – Ms. Kay Heidbreder
President's closed session report – Dr. Tim Sands

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Motion to Return to Open Session

Following the closed session, members of the public were invited to return to the meeting and the livestream was resumed. Rector Baine asked Mr. Calhoun to make the motion to return to open session. Mr. Calhoun made the following motion:

> **WHEREAS**, the Board of Visitors of Virginia Polytechnic Institute and State University has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of The Virginia Freedom of Information Act; and
>
> **WHEREAS**, Section 2.2-3712 of the Code of Virginia requires a certification by the Board of Visitors that such closed meeting was conducted in conformity with Virginia law;
>
> **NOW, THEREFORE, BE IT RESOLVED** that the Board of Visitors of Virginia Polytechnic Institute and State University hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Visitors.

The motion was seconded by Mr. Rocovich and passed unanimously.

Ms. Nancy Howell Agee arrived at the meeting.

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Upon motion by Mr. Rocovich and seconded by Mr. Calhoun, approval was given to the following group of resolutions as considered in closed session.

- **Resolution to Approve Reappointments to Endowed Chairs, Professorships, or Fellowships (5)** - Attachment X
- **Resolution to Approve Appointments to Emeritus/a Status (22)** - Attachment Y
- **Resolution to Approve Appointments with Tenure (5)** – Attachment Z
- **Resolutions to Ratify Personnel Changes Report** – Attachment AA
- **Resolutions to Approve Facility Namings (1)** – Attachment BB

(Copies are filed with the permanent minutes and marked as noted above.)

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RESOLUTION OF APPRECIATION

Rector Baine presented one resolution for consideration. Approval of the following resolution was moved by Mr. Rocovich, seconded by Ms. James, and approved unanimously.

Resolution of Appreciation Honoring Nancy Howell Agee

> **That the resolution recognizing Nancy Howell Agee for her outstanding commitment and dedication to Southwest Virginia and to the success of the Virginia Tech Carilion School of Medicine and Fralin Biomedical Research Institute at VTC while President and CEO of Carilion Clinic be approved.** (Copy filed with the permanent minutes and marked Attachment CC.)

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The meeting was adjourned at 2:42 p.m.

The dates of the next regular meeting are March 24-25, 2025, in Blacksburg, VA.

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Edward H. Baine, Rector

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Kim O'Rourke, Secretary

Minutes from November 12-13, 2024
BOV State Council of Higher Education
for Virginia (SCHEV) Orientation Meeting

MINUTES

BOARD OF VISITORS PUBLIC COMMENT SESSION FOR PROPOSED 2025-26 TUITION AND FEES

March 5, 2025

In accordance with *Code of Virginia* §23.1-307(E), requiring boards of visitors to hold public comment sessions prior to acting on any proposed increase in undergraduate tuition or mandatory fees, an ad hoc committee of Virginia Tech's Board of Visitors met in open session on Wednesday, March 5, 2025, in a virtual meeting that was livestreamed for the public on YouTube.

Present
Edward H. Baine (Rector)
Sandy C. Davis
Nancy Dye
William Holtzman
Donald Horsley
Anna L. James
Starlette Johnson
Letitia A. Long
Ryan D. McCarthy
John Rocovich
Jeanne Stosser

Also present were the following: President Timothy Sands, Kim O'Rourke (Secretary to the Board), Simon Allen, Al Cooper, Corey Earles, Kay Heidbreder, Tim Hodge, April Myers, Mark Owczarski, Lori Rose, Lisa Royal, Amy Sebring, Brennan Shepard, and Dee Dee Somervell.

During the public comment session, there were 42 concurrent viewers on YouTube and a total of 52 views.

Speakers: Ronnie Mondal (President of the Graduate and Professional Student Senate) and Alexander Efird (President of the Undergraduate Student Senate.

Rector Baine called the virtual meeting to order at 4:00 p.m. In accordance with *Code of Virginia* §23.1-307(D), a public notice of the proposed range of increase in tuition and fees was issued on February 21, 2025; the public notice included information about the public comment period. (Copy filed with permanent minutes and marked Attachment A.)

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TUITION WORKSHOP

The meeting began with a 15-minute tuition workshop presented by Amy Sebring, Executive Vice President and Chief Operating Officer. Ms. Sebring's PowerPoint presentation covered affordability and financial aid to Virginia Tech students, student success rates, the level of state support, how state support and tuition revenue are used, and factors influencing tuition development, as well as proposed ranges for 2025-26 tuition and fee increases. (Copy filed with the permanent minutes and marked Attachment B.)

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PUBLIC COMMENTS

Following the presentation, Rector Baine called on Ms. O'Rourke to review the guidelines for the 30-minute public comment period. Each speaker was allotted three minutes to speak and were to limit their comments to the topic of tuition and fees.

Two individuals from the Virginia Tech community pre-registered to speak: the president of the Graduate and Professional Student Senate and the president of the Undergraduate Student Senate. During the meeting, no additional individuals signed up to speak. In total, two individuals gave public comments, and those speakers submitted typed versions of their comments to be entered into the public record. (Copy filed with the permanent minutes and marked Attachment C.)

The public comment session ended at 4:45 p.m.

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The public was also given the opportunity to submit written comments through March 17, 2025. The Board of Visitors is scheduled to take action on the proposed tuition and fees for 2025-26 at its next regular meeting on March 25, 2025. All public comments will be provided to the Board in preparation for that meeting and will become part of the public record.

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Edward H. Baine, Rector

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Kim O'Rourke, Secretary

Board of Visitors to consider 2025-26 tuition and fees at March 25 meeting; virtual public comment opportunity scheduled for March 5

The Virginia Tech Board of Visitors will meet on Tuesday, March 25, at 1:15 p.m. in 2100 Torgersen Hall (620 Drillfield Drive, Blacksburg) to consider tuition and mandatory fees for the 2025-26 (FY26) academic year.

In advance of the March board meeting, Virginia Tech will provide a virtual public comment opportunity on Wednesday, March 5, at 4:00 pm. The link to observe this event or to pre-register to speak will be posted on the Board of Visitors website. Several members of the Board of Visitors will participate virtually as university officials provide an overview of proposed tuition and fees ranges and to receive public comment consistent with guidelines posted to the Virginia Tech Board of Visitors website.

Tuition and fees support the university's major strategic initiatives - Virginia Tech Global Distinction and the Virginia Tech Advantage - and serve as the primary source of operating revenue for delivering programs to our students. Tuition and fees are set in the context of university cost drivers and available state funding. Over the last several years, the board has prioritized the affordability of a Virginia Tech degree while making targeted investments that enhance the value of a Virginia Tech education to both students and the Commonwealth and continue to position the university as a leader in teaching, research, and outreach.

With a heightened focus on student affordability, the university launched the Virginia Tech Advantage program which leverages state, philanthropic, and university resources to reduce unmet financial need and increase support for students' basic needs, career preparation, and transformational learning experiences. In addition to the Virginia Tech Advantage, the university continues to mitigate tuition increases through the strategic alignment of incremental state funding, cost containment strategies, administrative efficiencies, and internal reallocations to maximize available resources.

As a result of these continued efforts, the Board has been able to limit the cumulative in-state undergraduate tuition increase to just 14% over the last five years while inflation has increased 23%. This was achieved while making a sustained commitment to advancing first-generation and low-income student enrollment, increasing institutional support for student financial aid, and advancing critical initiatives that enhance Virginia Tech's mission as a leading global land-grant institution.

For FY26, the university administration is modeling increases in tuition and Educational and General (E&G) fees from 0 to 2.9 percent, which is below the 4.9 percent increase included in the university's six-year plan approved by the Board of Visitors in November. Through Funds for the Future, Virginia Tech will provide incremental aid to undergraduate families with incomes below $115,000, sheltering them from tuition and fee increases in FY26. The university administration will also recommend increases between $0 and $186 for mandatory non-E&G fees to support mandated cost increases including employee compensation and benefits, support for Intercollegiate Athletics, and sustaining and enhancing student services including the transit system and student health/counseling services.

Virginia Tech maintains the lowest mandatory non-E&G fees among public four-year institutions in the Commonwealth.

March 5 public comment guidelines

Following an overview of proposed tuition and fees ranges at the March 5 virtual event, there will be an opportunity for public comment. Those interested in participating in the virtual public comment event must pre-register at the Board of Visitors website on a first-come, first-served basis **no later than Wednesday, February 26**. Speakers will be asked to specify their affiliation with the university (current student, parent, alumnus, faculty or staff, member of the public).

The public comment period will be held for 30 minutes with the option to increase up to a total of 60 minutes if there is sufficient demand. If time remains during the half-hour public comment period after the pre-registered speakers offer their comments, additional speakers may be offered the opportunity to speak during the remaining time. For those wishing to speak who did not pre-register, requests may be submitted via email to vppg@vt.edu between 4:00 and 4:45 p.m. on March 5.

In addition, there will be dedicated time slots for a representative from the Undergraduate Student Senate and from the Graduate and Professional Student Senate to provide a statement on behalf of their respective constituency. This does not preclude individual students from registering to speak during the public comment period or from providing written comments.

Each speaker will be limited to three minutes and must restrict their comments to tuition and fees only. Speakers wishing to have their comments entered in the public record must submit a typed copy via email to bov@vt.edu by March 17.

If you are an individual with a disability and desire an accommodation, please send an email to vppg@vt.edu or call 540-231-6232 during regular business hours at least 10 days prior to the event.

The March 5 virtual budget workshop and public comment session will also be live streamed for those who wish to observe (without offering comment). The link will be provided at the Board of Visitors website. However, those wishing to make comments must register in accordance with the instructions above.

Guidelines for written comments

In lieu of oral comments, written comments may be entered online at the Board of Visitors website or mailed to:

Kim O'Rourke
Secretary to the Board of Visitors
Virginia Tech (MC 0125)
800 Drillfield Drive
Blacksburg, VA 24061

Written comments must be received by Monday, March 17.

TUITION & FEE PUBLIC HEARING

AMY SEBRING,
EXECUTIVE VICE PRESIDENT AND
CHIEF OPERATING OFFICER

March 5, 2025

VIRGINIA TECH

VIRGINIA TECH STRATEGIC PRIORITIES

Virginia Tech Advantage

Embodies our land-grant mission by bridging financial gaps for students, ensuring steady degree progress, and fostering holistic student success

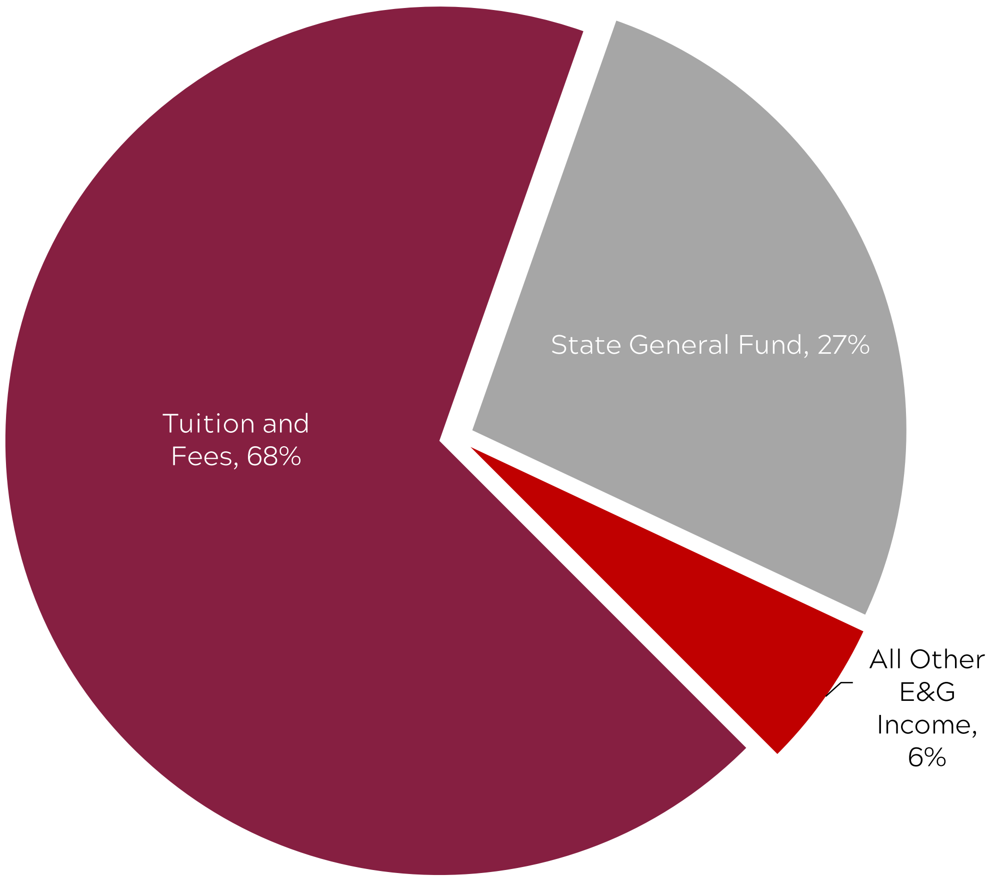
Global Distinction

A commitment to institutional excellence across research, teaching, and engagement that makes Virginia Tech a destination for the best faculty, students, and partners from Virginia, the nation, and the world

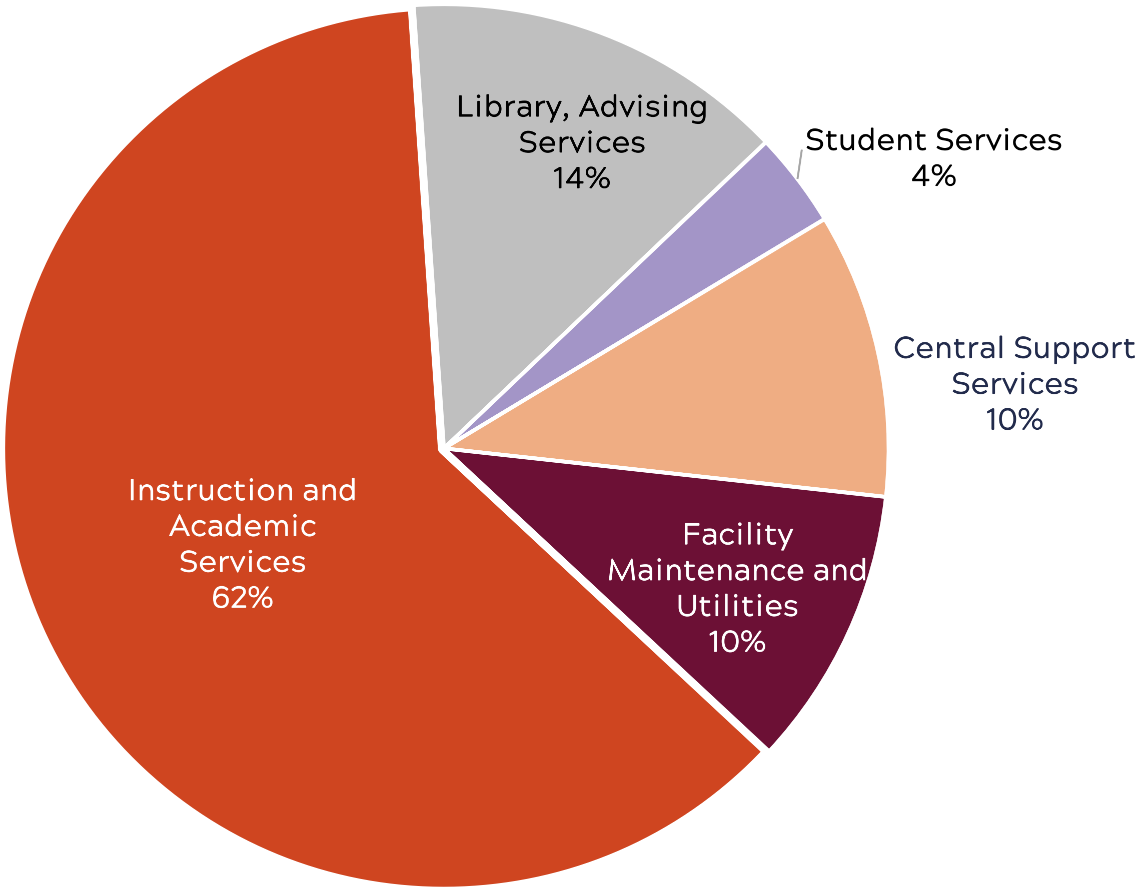
Tuition Drives Our Ability to Deliver Educational Programs

Educational & General Program

Revenue (sources)

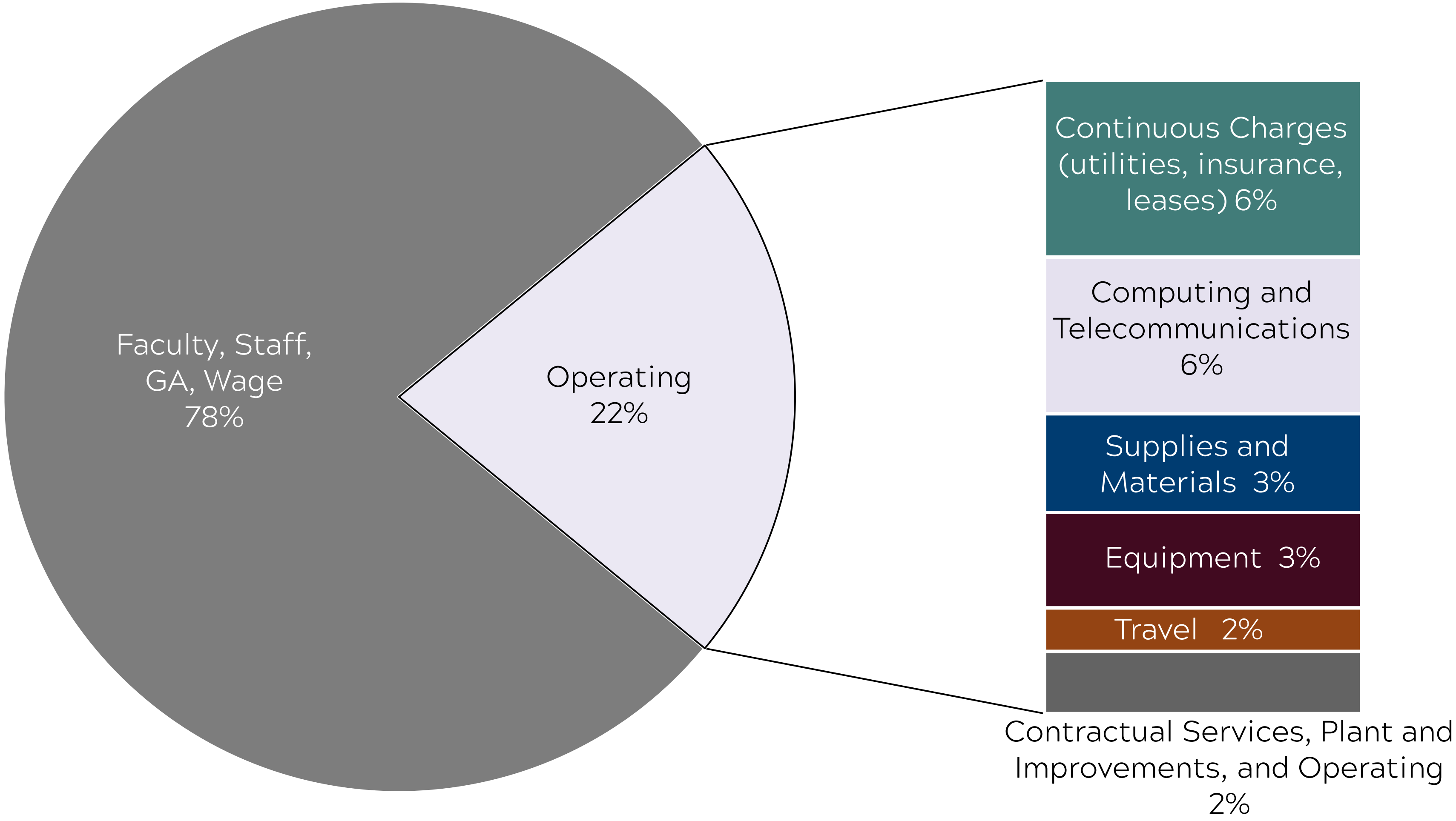


Expenditure by Function (uses)



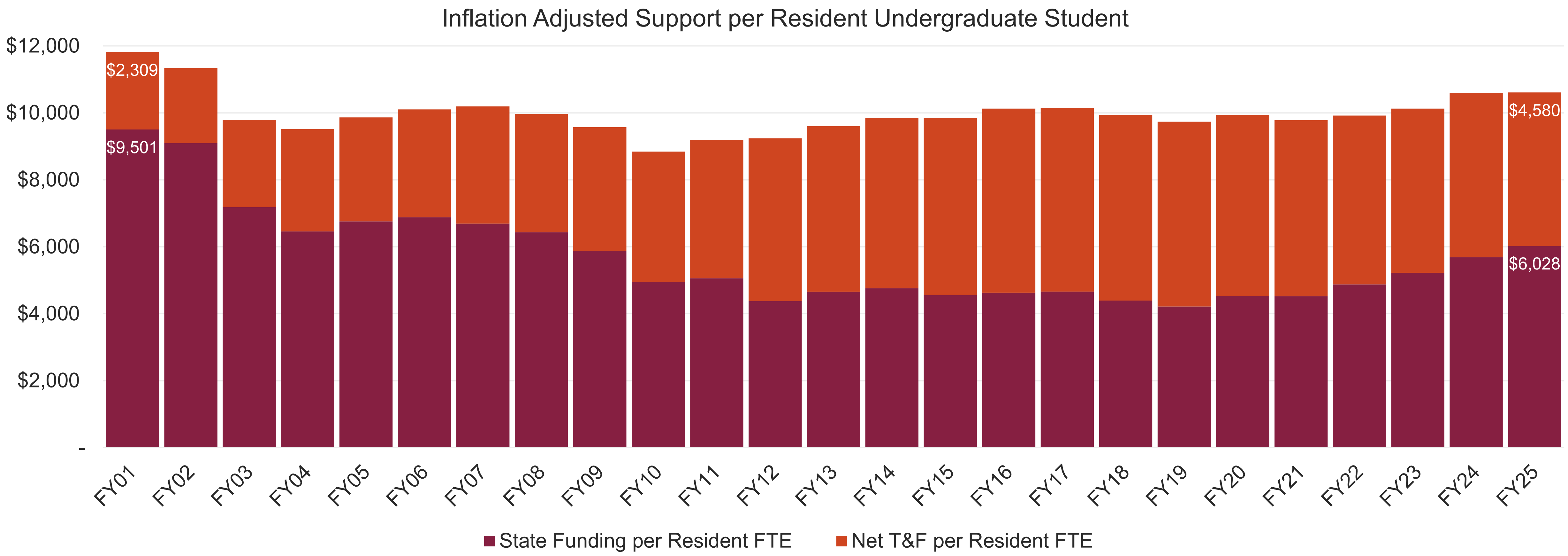
Higher Education is People-intensive

Personnel account for 78% of E&G costs



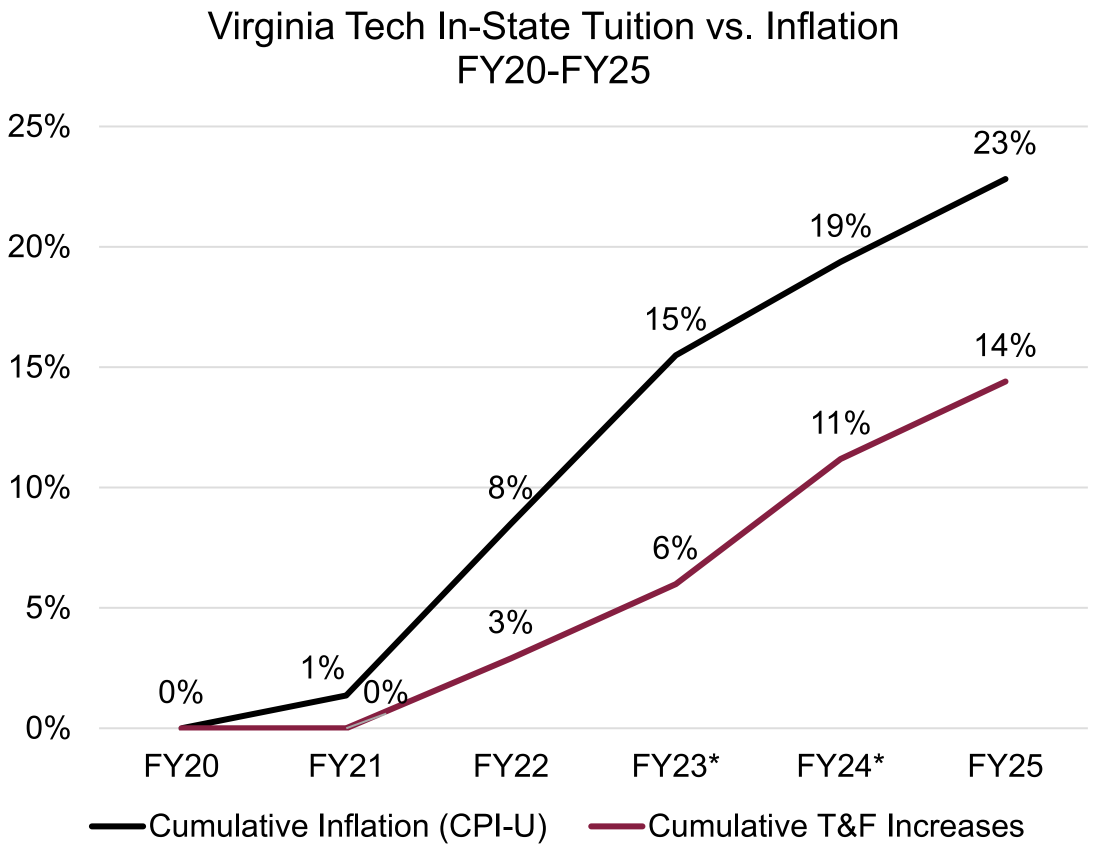
State Funding is a Critical Partner

- The Commonwealth subsidizes the cost of Virginia resident undergraduate education
- State support has evolved over time, shifting the burden to students/families
- Despite recent state investments, adjusted for inflation, the university receives $3,473 less state support per resident student than in 2000

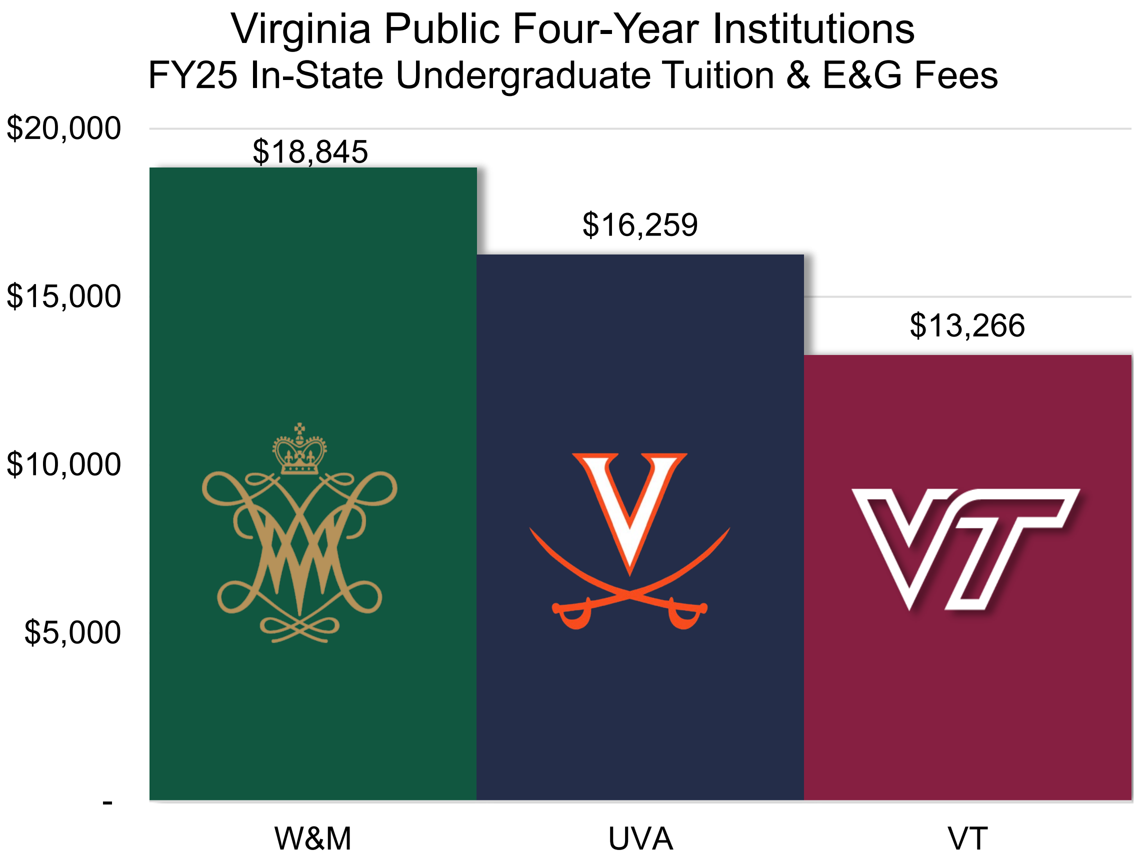


Since FY20 Cumulative Tuition Increases Have Been Below Inflation

- Over the past five years:
  - Consumer Price Index (inflation) has increased **23%**
  - In-State undergraduate tuition has increased just **14%**



* FY23 and FY24 In-state increase offset by one-time tuition mitigation scholarships.



Excludes program fees.

Virginia Tech Advantage Expands Commitment to Affordability

VIRGINIA TECH

<u>Virginia Tech Advantage</u>

- At scale, Virginia Tech Advantage will add $51.5 million annually in need-based gift aid.
- The 10-year fundraising goal of $500 million goal
  - *$400 million in endowed scholarships*
  - *$50 million in current-use scholarships*
  - *$25 million in endowed funds and another $25 million in current-use funds to meet:*
    - *basic needs such as food insecurity and emergency funds*
    - *support internships and enhance career preparation*
    - *offer transformational learning experiences including study abroad and undergraduate research*
- Private funds will leverage institutional and governmental support

<u>Undergraduate Scholarships and Aid</u>

- Virginia Tech provided $196 million in FY24, of which $91 million was need-based aid

<u>Funds for the Future</u>

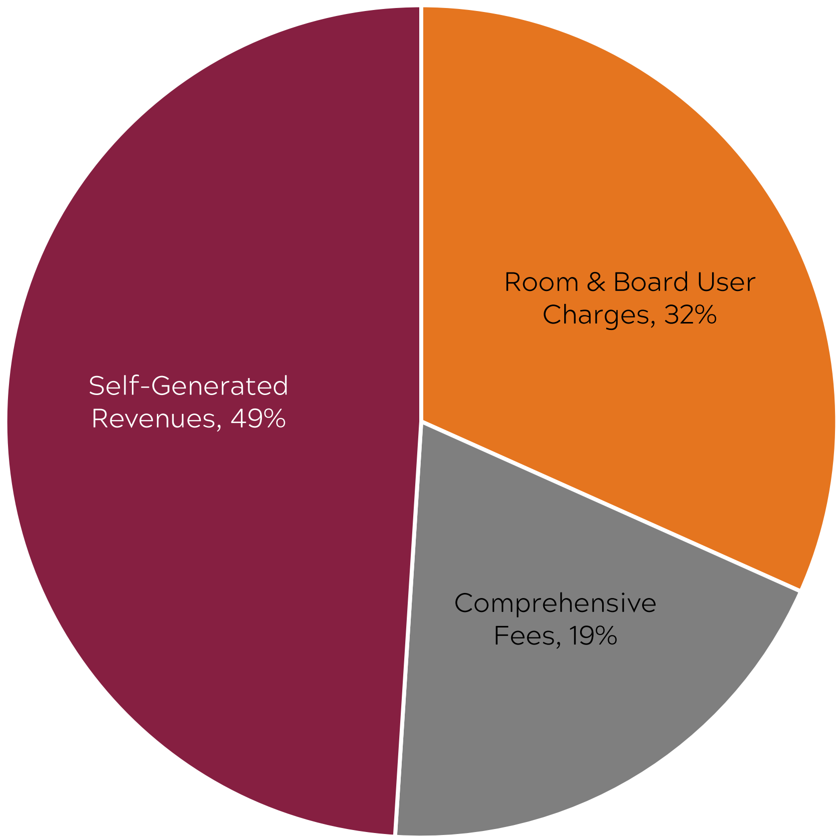
- Offsets tuition and fee increases for continuing undergraduates whose family income is $115,000 or less, ensuring they do not experience a net price increase over four years

Factors in Setting Tuition

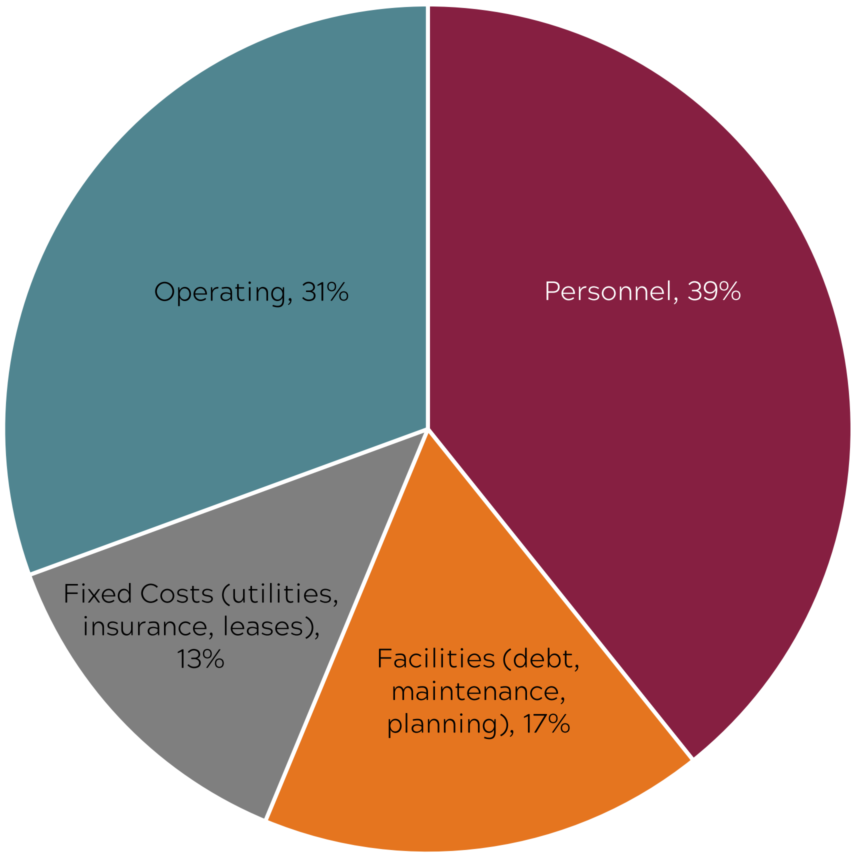
- Compensation (State requires the university to cover 62% of the cost of state-mandated compensation programs for E&G programs)
  - 78% of E&G expenses are personnel
    - Faculty, staff, graduate assistants, and wage employees
    - Competition for talent is increasing, raising labor costs
- State mandated costs including health care, retirement, property insurance, and codified waivers
- Level of recurring base funding from the state
- Unavoidable inflationary costs including utilities, insurance, leases, facility maintenance, and subscriptions
- Maintenance of academic quality
- Internal strategic reinvestments and efficiency gains

Comprehensive Fee is an Important Source of Auxiliary Enterprise Funding

Revenue (sources)



Expenditures (uses)



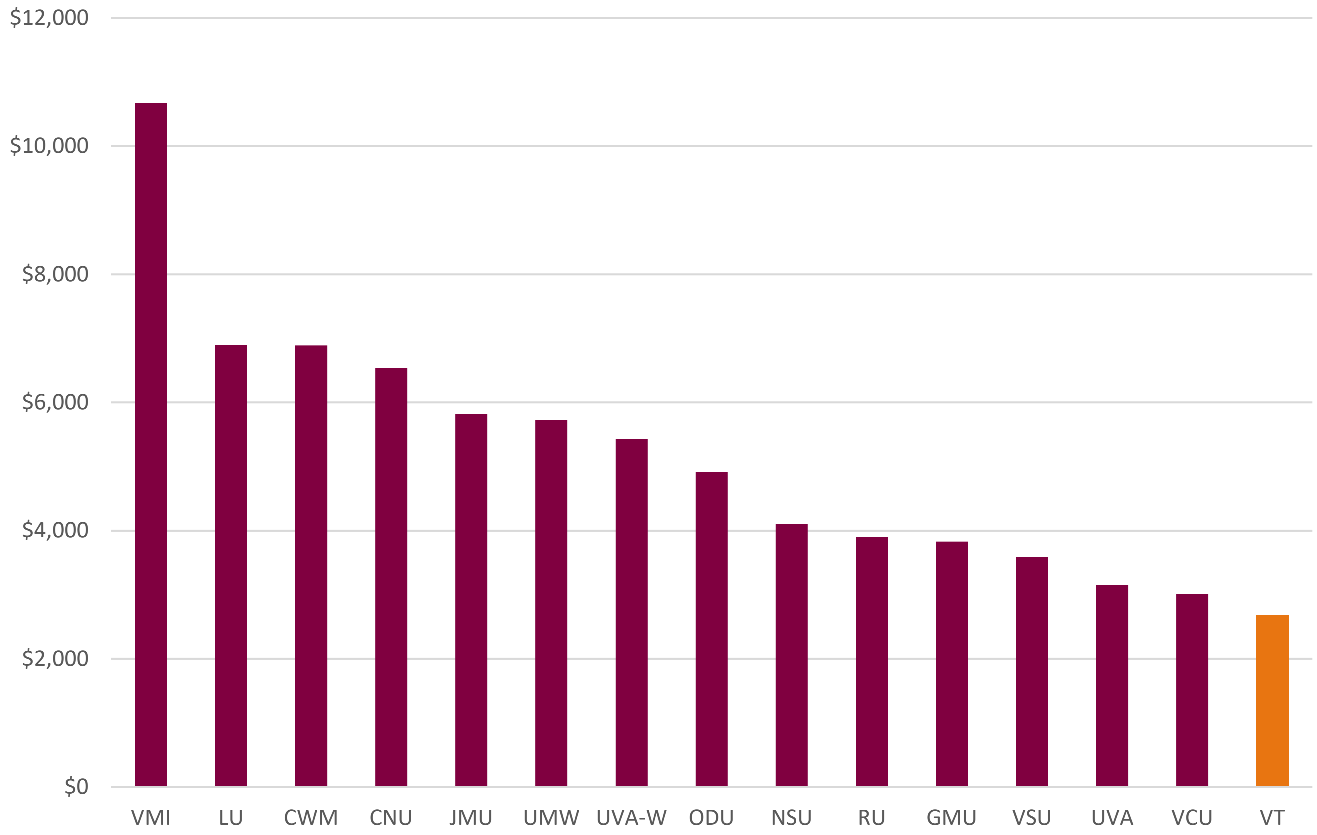
Auxiliary Programs Provide Key Support Services

The Comprehensive Fee supports:

- **Student Health**
  - Student health & counseling services
- **Student Activities**
  - Student activities, centers, & organizations
- **Student Services**
  - Transportation programs
  - Wireless service
- **Athletics**
  - Intercollegiate athletics
- **Recreational Sports**
  - Recreational programs, sports clubs, & facilities

Factors influencing fee development include state compensation and benefits, inflationary costs, health and counseling, transit operations, and facility maintenance.

VT has the lowest Comprehensive Fee of Virginia's public four-year institutions.



Ranges for 2025-26 Tuition and Fee Increases

	2025-26
Virginia Undergraduate Tuition	0% - 2.9%
Nonresident Undergraduate Tuition	0% - 2.9%
Virginia Graduate Tuition	0% - 2.9%
Nonresident Graduate Tuition	0% - 2.9%
Comprehensive Fee	$0 - 186

Student Success is Key to Return on Investment

Strong Undergraduate Graduation Rate

- 4-year: 70%
- 6-year: 86%

3.9 years average time-to-degree

- Shorter time lowers student cost
- Seven of eight colleges below 4 years

$70,000 - Median starting salary of 2023 graduates

VIRGINA TECH: VALUE AND QUALITY

Top 20 Best Colleges in U.S. – *Wall Street Journal/Pulse*

Top 25 Best Public Schools – *U.S. News & World Report*

Top 150 Best Value Schools – *U.S. News & World Report*

Top 300 World University Ranking – *Times Higher Education*

- Written comments will continue to be accepted through March 17

- All comments will be made available to the Board of Visitors prior to consideration of undergraduate and graduate tuition and fees

PUBLIC COMMENT

Honorable Members of the Board of Visitors,

Thank you for allowing me to speak today. My name is Ronnie Mondal, and I serve as the President of the Graduate and Professional Student Senate. I am here to voice the urgent concerns of Virginia Tech's graduate students regarding student fees and tuition.

Graduate students conduct research, teach courses, and support the university's mission of innovation and excellence. Yet, we continue to struggle financially. Our stipends remain below a living wage, and increasing tuition and fees will only worsen this crisis.

Our comprehensive fees have already increased. Most of our assistantships do not cover these fees—we must pay them out of pocket from our already stretched stipends. A further increase would amount to an effective **pay cut**, making graduate education more inaccessible.

This comes at a time of immense financial uncertainty. Inflation continues to rise, with costs for housing, healthcare, groceries, and childcare outpacing our stipends. Many of us have families and dependents to take care of. A fee increase will push many to take on additional jobs or even debt.

Coupled with shifts in research funding priorities, visa policies, and economic conditions, many students, especially international students, are unsure about their financial stability and future career prospects. A financial burden will make Virginia Tech a less attractive option for top talent and directly impact our reputation and ability to remain a leading research institution.

I urge you to consider alternative funding sources rather than placing the burden on graduate students who are already struggling to make ends meet. We ask that you **freeze student fees and tuition**, at least for this coming year, to prevent further hardship. Instead of increasing financial strain, let's work together to create long-term solutions that support students and strengthen Virginia Tech's research and educational mission.

Thank you for your time and consideration.

COMMENTS MADE AT THE MARCH 5, 2025, PUBLIC COMMENT SESSION

Good afternoon, everyone,

My name is Alexander Efird, and I am here representing the 31,035 undergraduate students here on campus as President of the Undergraduate Student Senate, our undergraduate student body government.

You have most likely heard, and will continue to hear from, many students on their own perspectives, but I wanted to provide you all some quick thoughts on what I've gathered from speaking with many of my fellow students.

First, I want to commend the Board for their efforts in past years to limit tuition and fee increases for students. While we've seen peer institutions in the Commonwealth and beyond heavily increase the financial burden that students face year-after-year, we've been fortunate here at Virginia Tech to see little to no increases in the cost of our educations.

In conversations I have with my fellow students, tuition and fees are always front-of-mind. As you would expect, the vast majority of students support keeping the current tuition and fees levels for the next academic year. One of the major concerns I hear from students every day is the financial burden they face because of tuition and fee costs. When students have to face these challenges, it can affect their social lives and their ability to join some of the over 800 clubs that we have here on campus. In some instances, students are so stressed that they cannot devote the attention needed to their schoolwork, leading to missed assignments and poor grades.

However, many of us understand that with the rising costs of living and operations expenses we all face, small increases may be inevitable. Yet, when the cost of education becomes less affordable, we all suffer. Students who are not privileged or who don't come from affluent backgrounds may be more inclined to reduce their involvement here on campus or may even take a step back from college entirely. That can deprive our Virginia Tech community from some incredible knowledge and perspectives that make us stronger as a whole.

That is why I also emphasize the financial aid programs that are at the disposal of students. These programs give students who lack the resources to achieve a full college education with the opportunity to do so. I've spoken with numerous students here on campus who have taken advantage of these programs, and they are all doing incredible things in their respective fields and will go on to represent the Virginia Tech name with pride and distinction. Continuing to expand these programs, including the Virginia Tech Advantage, will only enhance the quality of our community here at Virginia Tech and will provide students with the resources they need to be successful and accomplish great things.

Thank you all so much for your time.

RESOLUTION TO AMEND THE FACULTY HANDBOOK DESCRIPTION OF ADMINISTRATIVE SUPPORT FOR UNIVERSITY DISTINGUISHED PROFESSORS

WHEREAS, the title of University Distinguished Professor is awarded to the most outstanding faculty at the university; and

WHEREAS, the University Distinguished Professors report directly to the President of the university; and

WHEREAS, administrative support for, and report of, the activities of University Distinguished Professors may, in limited instances, be made more efficient by allowing the President to delegate so tasks to the Executive Vice President and Provost and the Vice Provost for Faculty Affairs.

NOW, THEREFORE, BE IT RESOLVED that the Faculty Handbook, section 3.2.3, be amended as shown below with changes noted in red.

<u>RECOMMENDATION</u>:

That the changes to the Faculty Handbook as described above and attached be approved.

March 25, 2025

3.2.3 University Distinguished Professor

General conditions and definitions: The University Distinguished Professorship (UDP) is a pre-eminent faculty rank bestowed by the university's Board of Visitors upon members of the university faculty whose scholarly attainments have attracted national and/or international recognition. There is no quota by college or department.

Nomination and selection: Each academic year the president and provost determine if there will be one or more appointments to the rank of University Distinguished Professor and, if appropriate, issue a call to the academic deans for nominations. The deans, in turn, invite nominations from academic departments or schools.

Screening procedures at departmental, school, and college levels involve personnel or executive committees in place. Nominations are accompanied by a full dossier of relevant materials including a current curriculum vitae, letters of nomination from both the department or school and college screening committees, and letters of support and other evidence attesting to the scholarly reputation of the nominee(s).

The provost appoints a University Distinguished Professor selection committee that includes one current Alumni Distinguished Professor, two current University Distinguished Professors, and one faculty member recommended by the Commission on Faculty Affairs. The committee reviews the nominations and makes a recommendation to the president. The president makes the final judgment at the university level and, if that judgment so determines, takes the recommendation to the Board of Visitors for approval.

Responsibilities: The rank of University Distinguished Professor is conferred by the university and is considered a university appointment (as distinct from a department, school, or college appointment). While the professor is nominated by department, school, and college colleagues, and continues to serve the discipline and department or school of origin, the perquisites and responsibilities of each University Distinguished Professor are fixed by the university.

The president annually adjusts the salary of University Distinguished Professors after consultation with the provost and dean of the relevant college.

The sole responsibility of the University Distinguished Professors is to continue their professional engagement and development at the same high level evident at the time of appointment. They are free to define the exact nature of their work after consultation with the dean of the college and the professor's head, chair, or school director. They are expected to engage fully with their colleagues in the governance of their departments.

At the same time, they are encouraged to teach, when invited, in other departments or schools of the university or in college or university courses (e.g., honors). They may also elect, in a given term, to devote all of their energies to research, scholarship, or Extension activities. In shaping their plans of work, the University Distinguished

Professors take full cognizance of department or school, and college needs and expectations. Their principal responsibility is to serve the university by giving their talents and sharing of their competencies where, in their judgments, they are most effectively employed.

It is the university's responsibility to provide such support as seems necessary to sustain the high level of performance expected of University Distinguished Professors. On behalf of and at the direction of the President, the administrative aspects of the University Distinguished Professors' appointments are overseen by the Executive Vice President and Provost and managed by the Vice Provost for Faculty Affairs.

Term: Incumbents carry the rank of University Distinguished Professor until resignation or retirement from the university, subject to the usual standard of continuous high performance. The rank is conferred only by the university Board of Visitors and is altered by that body alone, on the recommendation of the president.

RESOLUTION TO AMEND THE FACULTY HANDBOOK DESCRIPTION OF CLINICAL FACULTY RANKS

WHEREAS, the Faculty Handbook describes all position titles and duties for faculty; and

WHEREAS, the clinical instructor and clinical professor series require additional detail regarding the expectations of these positions and the distinctions between the two; and

WHEREAS, ranks within the clinical instructor track need to be brought in alignment with the non-clinical instructor track.

NOW, THEREFORE, BE IT RESOLVED that the Faculty Handbook, section 5.1.4, be revised as shown below with changes noted in red.

RECOMMENDATION:

That the changes to the Faculty Handbook as described above and attached be approved.

March 25, 2025

5.1.4 Clinical Faculty Series

Faculty members with responsibilities primarily in instruction and/or service in a clinical setting such as veterinary or human medicine are considered clinical faculty. Clinical faculty appointments are intended to promote and retain clinical educators and to complement the clinical activities of the university. The clinical faculty ~~track~~ series provides for long-term, full-time, or part- time faculty appointments to individuals whose primary responsibilities are in clinical settings and in ~~the~~ instructional programs.

Clinical faculty with distinctive assignments and work schedules will have these responsibilities conveyed upon their initial appointment. While initial appointment is typically at the entry rank, prior experience may be considered for a recommendation of appointment at a higher rank with the approval of the Promotion and Tenure departmental committee and head, chair, or school director.

Promotion in rank is neither a requirement of continued employment, nor an entitlement for continued years of service. Tenure is not awarded at any of these ranks and all service at any clinical instructor or professor rank is excluded from the pre-tenure probationary period if the faculty member is subsequently appointed to a tenure-track position. Faculty members within the clinical instructor ranks may not chair a graduate committee. ~~Time spent in one of these ranks is not applicable toward pre-tenure probationary tenure-track faculty service.~~

The clinical faculty series is divided into two tracks: clinical instructor and clinical professor.

5.1.4.1 Clinical Instructor Track

~~**Clinical Instructor**: Persons appointed to this rank must have the appropriate professional degree. Preference is given to individuals eligible for, or certified by, the most appropriate specialty college or organization recognized by the profession. Appointments at this rank are typically for one year and are renewable.~~

The responsibilities of a person appointed to one of the clinical instructor ranks in an academic department are focused on service and professional instruction in a clinical setting, with no expectation for development of an independent program of research or scholarship. Clinical instructors may have additional instructional duties in classroom and laboratory settings, typically related to clinical practice. A professional degree is the usual minimum educational credential for an appointment to the clinical instructor ranks. Clinical instructor series faculty are generally appointed to 1-, 3-, or 5- year renewable contracts depending on their rank.

The clinical instructor ranks include clinical instructor, advanced clinical instructor, and senior clinical instructor.

Clinical Instructor: Persons appointed to this rank must have the appropriate professional degree. Primary responsibilities are to clinical service and the clinical instructional program, but assignments vary depending on the faculty member's expertise and experience and departmental needs. Duties may include clinical service, teaching professional and graduate students in clinical settings, advising clinical interns and residents, and lecturing in professional courses. Appointments at this rank are typically for one year and are renewable. A minimum of five years at the clinical instructor rank is required before consideration for promotion to advanced clinical instructor.

Advanced Clinical Instructor: In addition to the requirements for Clinical Instructor, persons appointed or promoted to this rank must demonstrate significant evidence of related professional growth such as advanced clinical training and continued professional development. Advanced clinical instructors are expected to demonstrate mastery in experiential education with significant impact on student learning in a clinical setting. Promotion to the advanced clinical instructor rank is generally accompanied by a renewable three-year contract. A minimum of five years at the advanced clinical instructor rank is required before consideration for promotion to senior clinical instructor.

Senior Clinical Instructor: Senior clinical instructor is the capstone rank in the clinical instructor series and promotion to this rank denotes exemplary clinical service and instruction. Senior clinical instructors may have considerable responsibility in mentoring colleagues or professional clinical trainees, overseeing clinical service activities, or other responsibilities reflecting their role as clinical service and instructional leaders. Promotion to the rank of senior clinical instructor is generally accompanied by a renewable five-year contract.

Further detail on the duties and responsibilities of these ranks, criteria and the process for promotion, and the terms and conditions of employment for clinical faculty are established by the respective academic departments or schools and approved by an appropriate college-level committee and the dean and shared with the faculty member upon their initial appointment.

5.1.4.2 Clinical Professor Track

~~**Clinical Professor Series.**~~ The clinical professor ~~series~~ track is designed for clinical faculty members who have extended appointments and who are expected to interact with graduate or professional students/residents and interns, serving on committees or supervising their training. ~~While clinical faculty may~~ Persons appointed in the clinical professor ranks are expected to ~~conduct~~ engage in scholarship and research and present their findings in professional venues, though there are no expectations ~~for~~ of an extensive research program as is typical of tenure-track faculty appointments. Appointment to one of these ranks may be from one to five years and is renewable without limit. Usually, a national search is conducted for appointment at one of these ranks (or an approved exemption sought for exceptional skills or similar justification).

A record of significant professional achievement is expected for appointment at the clinical associate professor or clinical professor level; initial appointments at such ranks require approval of the appropriate departmental or school committee and head, chair, or school director. The clinical professor ranks include clinical assistant professor, clinical associate professor, and clinical professor.

Clinical Assistant Professor: Persons appointed to this rank must have the appropriate professional or terminal degree and evidence of related professional qualifications or activities (including but not limited to activities or certification by a relevant professional organization and eligibility for, or certification by, the most appropriate specialty college recognized by the professional organization). Credentials shall be consistent with those for appointment to a tenure- track assistant professor, with an expectation for primary commitment to the instructional and clinical teaching setting. Duties may include clinical service, teaching professional and graduate students in clinical settings, advising clinical interns and residents, and lecturing in professional courses. Clinical assistant professors are expected to engage in scholarship and research and present their findings in professional venues, though there is no expectation of an extensive research program as is typical of tenure-track faculty appointments.

Clinical Associate Professor: Persons appointed to this rank must have the appropriate professional or terminal degree and continued evidence of related professional qualifications or activities, including but not limited to activities or certification by a relevant professional organization and, when relevant to their discipline, be a diplomate in the appropriate specialty college recognized by their professional organization. Credentials shall be consistent with those for appointment to associate professor, with an emphasis on clinical accomplishments. Duties may include a caseload at or above the average for assistant professors within the same clinical service, mentoring colleagues or clinical residents, student advising, course or curriculum development, and/or exemplary service or outreach. Clinical associate professors are expected to engage in scholarship and research and present their findings in professional venues, though there is no expectation of an extensive research program as is typical of tenure-track faculty appointments. Distinguished professional achievement and evidence that their scholarly activities enhance their clinical discipline is expected. This evidence should include activities and accomplishments demonstrating a trajectory towards national reputation and impact.

Clinical Professor: Persons appointed to this rank must have the appropriate professional or terminal degree and continued evidence of related professional qualifications or activities, including but not limited to activities or certification by a relevant professional organization and, when relevant to their discipline, be a diplomate in the most appropriate specialty college recognized by their professional organization. Credentials shall be consistent with those for appointment to professor, with an emphasis on clinical accomplishments. Clinical professors may have considerable responsibility in mentoring colleagues or professional clinical trainees, overseeing clinical service activities, or other responsibilities reflecting their role as clinical service and instructional leaders. Clinical professors are expected to engage in scholarship and research and present their findings in professional venues, though there is no expectation of an extensive research program as is typical of tenure-track faculty appointments. Distinguished professional achievement and evidence that their scholarly activities enhance their clinical discipline is expected. This evidence should include activities and accomplishments demonstrating achievement of a national or international reputation and impact.

Further detail on the duties and responsibilities of these ranks, criteria and the process for promotion, and the terms and conditions of employment for clinical faculty are established by the respective academic department or school and approved by an appropriate college-level committee and the dean and shared with the faculty member upon their initial appointment.

RESOLUTION TO AMEND THE FACULTY HANDBOOK REGARDING ETHICS OF INTIMATE RELATIONSHIPS INVOLVING FACULTY

WHEREAS, the Faculty Handbook describes the professional and ethical expectations of all faculty; and

WHEREAS, relationships involving faculty and those they supervise may arise but require specific action to mitigate bias and reduce the potential for exploitation; and

WHEREAS, ethical expectations that faculty do not engage in intimate relationships with those they supervise are stated but require additional clarification, and a procedure presently does not exist for disclosure in the event of the emergence of such relationship.

NOW, THEREFORE, BE IT RESOLVED that the Faculty Handbook, Section 2.25, be amended as shown below with changes marked in red.

RECOMMENDATION:

That the changes to the Faculty Handbook as described above and attached be approved.

March 25, 2025

Faculty Handbook, Section 2.25 (excerpt)

~~Consensual~~ Intimate Relationships. It should be understood by all members of the university community that ~~consensual~~ amorous or sexual relationships (hereinafter referred to as ~~consensual~~ intimate relationships) that occur in the context of educational or employment supervision and evaluation present serious ethical concerns and potential for bias or the perception thereof. All faculty have an obligation to eliminate any actual or perceived conflict of interest to maintain integrity and credibility for themselves and the university. Intimate relationships between supervisors and employees they directly supervise may violate university policy. ~~Consensual~~ Intimate relationships between faculty and students enrolled in their classes or students for whom they have professional responsibility as advisor or supervisor ~~violate the policy on professional ethics and responsibilities~~ contravene the Statement of Principles of Ethical Behavior. ~~Further, such relationships and may be a violation of non-discrimination and/or harassment prevention policies. Similarly, consensual romantic relationships between supervisors and employees they directly supervise violate university policy.~~

Faculty members or others performing instructional, mentoring, or academic advising duties and supervisors involved in ~~consensual~~ intimate relationships must remove themselves from any activity or evaluation that may reward or penalize the affected student or employee. To do so, faculty members are expected to disclose such a relationship to their department head, chair, or school director or other direct supervisor and work with them to identify and implement appropriate mitigating measures to change the supervisory structure. Failure to do so may lead to ethical investigations if reported to the Faculty Senate Committee on Ethics, and possible sanctions in accordance with the provisions of the Faculty Handbook governing that faculty member's employment category.

~~Consensual~~ Intimate relationships between faculty and students are particularly susceptible to exploitation. An objective supervisory evaluation cannot exist if such a relationship exists. Moreover, t~~T~~he respect and trust accorded a professor by a student, as well as the power exercised by the professor in giving praise or blame, assigning grades, and providing recommendations for further study and future employment, ~~make~~ may undermine the voluntary nature of consent by the student ~~suspect~~, given the fundamentally asymmetric nature of the relationship.

Faculty and supervisors should be aware that engaging in ~~consensual~~ intimate relationships with students or employees they supervise could make them liable for formal action. Even when both parties have consented to the development of such a relationship, it is the faculty member or supervisor who, by virtue of one's special responsibility, may be held accountable for unprofessional behavior. Complaints to the Faculty Senate Committee on Ethics ~~alleging discrimination and/or harassment, as defined above,~~ may be filed by either party to the ~~consensual~~ intimate relationship or by ~~an aggrieved~~ a third party outside the relationship.

For any report involving alleged nonconsensual sexual activity between a faculty member and a student, this section—including any process offered through the Faculty Senate Committee on Ethics—is superseded by university policies 1025 and 1026 and the procedures referenced therein. Policy 1025 and Policy 1026 both prohibit sexual harassment—including *quid pro quo harassment* (*i.e.*, a university employee conditioning educational benefit or service upon a person's participation in sexual conduct) and various forms of sexual violence. Any faculty member who becomes aware of an allegation of nonconsensual sexual activity between a faculty member and a student must report that allegation to the university's Office for Civil Rights Compliance and Prevention Education as required by university policy.

RESOLUTION TO AMEND THE FACULTY HANDBOOK REGARDING PROCEDURES FOR PROMOTION AND TENURE AND RELATED APPEALS

WHEREAS, the Faculty Handbook describes procedures related to promotion and tenure for faculty; and

WHEREAS, clarity regarding the procedures for seeking promotion and/or tenure is essential for equitable evaluation of such cases; and

WHEREAS, appeals processes for negative decisions and compositions of the committees rendering such decisions are necessary for faculty of all ranks in the tenure-track series.

NOW, THEREFORE, BE IT RESOLVED that the Faculty Handbook, Sections 3.4, 3.4.3, 3.4.4, and 3.5, be amended as shown below with changes marked in red.

RECOMMENDATION:

That the changes to the Faculty Handbook as described above and attached be approved.

March 25, 2025

3.4 Promotion and Tenure (excerpt)

Faculty members should contact the department head, chair or school director for guidance on college and department or school "Expectations Guidelines for Promotion and/or Tenure". In addition, consult "Promotion and Tenure" on the provost's Faculty Affairs webpage.

The university is committed to academic freedom. Virginia Tech endorses the "1940 Statement of Principles on Academic Freedom and Tenure" of the American Association of University Professors and the Association of American Colleges (AAUP Bulletin, September 1970).

Eligibility. Eligibility for tenure consideration is limited to faculty members with regular faculty appointments of 50 to 100% in an academic department or school in a college. Tenure is not granted to faculty members with temporary appointments or to administrative and professional faculty. Individuals with tenure who are appointed to administrative positions continue to hold tenure in those departments. Full-time administrators with appointments in academic departments or schools who engage in teaching and research may be recommended for tenure in such departments.

Promotion in rank and the granting of tenure are based on contributions made by a faculty member to the university in the areas of teaching, research/creative activities, and service/engagement. Colleges, departments, or schools are responsible for the administration of appropriate policies and procedures for the review and recommendation for promotion and/or tenure within their units.

Reviews. Faculty members being considered for promotion and/or the awarding of tenure have their dossiers reviewed at as many as three levels: (1) departmental/school committee and the head, chair, or school director; (2) college committee and the dean; and (3) the university committee and the provost.

~~Occasionally faculty members are evaluated for a tenured appointment during the probationary period and before the final probationary (mandatory) year. Consult "Promotion and Tenure" and "Non-mandatory P&T" on provost's Faculty Affairs webpage. If such a case is the first attempt, there is no recourse to appeal or review of a negative decision, at whatever level it is reached, because of the certainty that the evaluation will be undertaken again within a limited time.~~

Once a promotion and/or tenure case has been submitted, it must proceed through the processes outlined in this chapter unless the candidate chooses to withdraw their case.

3.4.3 Departmental or School Evaluation for Promotion and Tenure (excerpt)

Determination of Candidates. In their promotion and/or tenure guidelines, each department or school will have a process for determining which candidates are to be considered for promotion and/or tenure, including those faculty members in the final year of probationary service. Candidates should be identified in the fall semester one year prior to applying for promotion and/or tenure.

If there is disagreement between the faculty member and the department/school about whether the faculty member should be considered for promotion and/or tenure, the faculty member may appeal the department/school decision to the dean of the college if they have at least four years in rank at Virginia Tech and they have requested consideration in writing in the prior year. The appeal must be based on achievement of the department/school and/or college "Expectations Guidelines for Promotion and/or Tenure." If the dean sustains the department/school negative decision, the faculty member may request a review of the decision by the properly constituted college committee on promotion and tenure. If either the dean or the college committee approve the faculty member's appeal prior to the completion of the fall term, then their case will be processed in the next promotion and tenure cycle. If the appeal is approved after the fall term, then their case will be processed in the year after the next promotion and tenure cycle.

Department or School Committee Composition: Each department or school must have one or more committees with appropriate faculty representation to evaluate candidates for promotion and tenure, tenure at the currently held rank, and promotion to professor, and make recommendations to the department head, chair, or school director. Voting members for promotion and/or tenure for tenure-track faculty must be tenured. While the process of selecting committees may vary between departments or schools, significant elements of faculty choice, as determined through departmental or school governance, must be part of the selection process. Some possible methods for committee selection include a combination of elected and appointed representatives; an elected slate significantly larger than the committee size, allowing the department head, chair, or school director to appoint the committee from the slate; or a committee elected by the faculty. A minimum committee size of five members is most appropriate to achieve adequate representation and effectiveness of committee operations.

3.4.4 College Evaluation for Promotion and Tenure (excerpt)

College Committee Composition. Each college must have a committee with appropriate faculty representation to review the recommendations on promotion and tenure sent by the department head, chair, or school director. Voting members for promotion and/or tenure for tenure-track faculty must be tenured. While the process of selecting committees may vary between colleges, rules governing eligibility and selection of college committee members and the committee chair, as well as operating guidelines for the committee's deliberations, must be documented and formally approved by the faculty. Significant elements of faculty choice must be part of the selection process. Some possible methods for committee selection include election by the college faculty; appointment by an elected college executive committee; a combination of elected and appointed (by the dean or college executive committee) representatives; or an elected slate significantly larger than the required committee size, thus allowing the dean or college executive committee to appoint the committee from the elected slate approved by the faculty. However, given their responsibility to make a separate and independent recommendation on each case, the dean may not serve as chair of the committee.

As far as possible, each department or school within the college should be represented on the committee. The dean may appoint up to three tenured faculty members to serve on the college committee to assure appropriate representation of disciplines or very large departments or schools, participation by members of underrepresented groups, or other critical considerations to help assure fairness of the process in both fact and perception. Appointments by the dean may not constitute more than a third of the committee's total membership.

The committee may include department heads, chairs, school directors, or department-level promotion and tenure committee members. If department heads or chairs or school directors serve on college committees, their total number must be less than that of other faculty members and they may not vote on cases from their department/school since each has already had an opportunity to vote or make a recommendation on those candidates.

The appointments of faculty members on the committee should be staggered to assure continuity from one year's deliberation to the next. If possible, members should not serve more than two successive terms (three-year terms are typical).

The college faculty representatives to the University Promotion and Tenure Committee must attend college promotion and tenure deliberations as non-voting observers but should not participate or attempt to influence college-level recommendations.

3.5 Appeals of Decisions on Non-Reappointment, Tenure, or Promotion (excerpt)

(for *grievances* see Faculty Grievance Policy and Procedures in this chapter of the faculty handbook)

Appeal. A faculty member who is notified of a negative decision following an evaluation for a term reappointment during the probationary period, for a tenured appointment, or for promotion may appeal for review of the decision under conditions and procedures specified in this section. The appellant has a right to an explanation of the reasons for the denial.

An appeal must be filed, in writing, within 10 university business days of formal notification of the decision, which shall explain the appeal procedures.

An appeal must be based on the following claims only: department or school criteria established in the relevant department or school's promotion and/or tenure guidelines were not appropriately applied; material from a dossier was unavailable to, or disregarded by, reviewers through no fault of the candidate; or information in the dossier was not considered, or that the decision was influenced by improper consideration.

Administrators and committees hearing an appeal must limit the scope of their recommendations to the claims presented above: in particular, they must not substitute their own judgment on the merits of the case for that of the body or individual responsible for the decision under appeal. The recommendations should address the allegations in the appeal with specificity and cite appropriate evidence.

A faculty member can appeal the decision at more than one level. There is no appeal of the president's recommendation to the Board of Visitors or the board's final decision.

Appeals should be resolved as quickly as possible without compromising thoroughness of review. Whenever possible, the appeal should be resolved in time to be reviewed at the first meeting of the Board of Visitors in the fall semester.

A faculty member with questions or concerns about the appeal process or who believes that the procedures described in this section have been improperly followed may, at any point, seek advice from the Faculty Senate Committee on Reconciliation.

Grievance. Consult the Faculty Forms webpage for the grievance form. Additionally, faculty have the option to grieve procedural violations of the promotion and tenure process—including violations of the appeal process presented in this section—after a negative decision on an appeal or instead of filing an appeal in the first place. Since the grievance procedures allow the grievant to state the grievance, they believe they have experienced and the relief they seek, it has a wider range of possible outcomes than the appeal process. However, because it is a slower process that may not be completed until the promotion and/or tenure cases in a given year have been decided, and because faulty cannot grieve “items falling within the jurisdiction of other university policies and procedures,” a grievance should be thought of as a means for faculty to seek an outcome they cannot seek through the appeal process. The grievance process is described in chapter three of this handbook below, “Faculty Grievance Policy and Procedures.”

3.5.1 Appeal of Probationary Non-Reappointment Decision

Faculty members on probationary term appointments should make no presumption of reappointment. The department head, chair, or school director with the advice of the department/school personnel committee or the faculty development committee determines non- reappointment. Notice of non-reappointment is furnished according to the schedule in chapter two of this handbook, "Retirement, Resignation, and Non-Reappointment."

If the negative decision is based on evaluation of the faculty member's performance, including perceived lack of potential for further professional development, the faculty member may appeal the decision to the dean of the college. If the dean sustains the departmental or school decision, the faculty member may request, through the dean, a further and independent review of the decision by the properly constituted college committee on promotion and tenure.

The faculty member presents the appeal in writing as specified in chapter three of this handbook, "Appeals of Decisions on Reappointment, Tenure, or Promotion." The faculty member has the right to appear before the committee to present arguments. The college committee makes a recommendation to the dean, who informs the faculty member of the committee's recommendation and the dean's subsequent decision. The dean's decision closes the appeal process, unless it varies from the college committee's recommendation, in which case the faculty member may appeal to the provost for a final decision. The provost's decision cannot be appealed.

3.5.2 Appeal of Promotion and/or Tenure Decision (and summary table)

For the purposes of appeal, tenure cases receiving their second review prior to the final year of probation (mandatory year) are treated like mandatory year cases.

Appeal of negative department ~~,~~ or school ~~or college~~ decisions. Because all tenure cases evaluated in the final year of probation (mandatory year), even those given a negative recommendation by the department or school committee and the head or chair or school director, receive a full college level review, there is no appeal of a negative tenure decision at the department or school level. ~~Cases evaluated in the final year of probation that receive a negative recommendation by the college committee and dean may appeal to the University Promotion and Tenure Committee via the provost.~~

Promotion-only cases and tenure cases in non-mandatory years given a negative recommendation by the department or school committee and the head or chair or school director may appeal to the dean.

~~Cases reviewed a second time within the probationary period whether promotion and/or tenure, if the committee and the relevant administrator both make negative recommendations, the candidate may appeal that negative decision to the next level in the process.~~ The faculty member appealing a departmental decision has the right to appear before the college committee considering the appeal and present arguments. If either the college committee or the dean grants the appeal of a negative department or school decision, the case resumes ~~normal~~ consideration, beginning with the college committee and dean.

If the college committee and the dean both make negative decisions, the appeal is denied and no further appeal is provided.

Appeal of negative college decisions. Promotion and/or tenure cases given a negative recommendation by the college committee and the dean may appeal to the provost.

The faculty member appealing a college decision has the right to appear before the University Promotion and Tenure Committee and present arguments. If either the University Promotion and Tenure Committee or the provost grants the appeal of a negative college decision, the case resumes ~~normal~~ consideration, beginning with the University Promotion and Tenure Committee and the provost.

If the University Promotion and Tenure Committee and the provost both deny the appeal, no further appeal is provided.

~~At either the college or the university level, if the committee and the relevant administrator provost both make negative recommendations decisions, the appeal is denied and no further appeal is provided.~~

Appeal of negative university decisions. Because all recommendations from the University Promotion and Tenure Committee and the provost are forwarded to the president, candidates may appeal negative recommendations ~~of either or both~~ by the provost to the Faculty Senate Review Committee. The faculty member has the right to appear before the committee to present arguments. The Faculty Review Committee investigates the case and makes a recommendation to the president. ~~The Faculty Senate Review Committee makes a recommendation to the president.~~ The president makes a recommendation to the Board of Visitors whose decision is final and cannot be appealed.

Table of appeal options. The following table summarizes the progression of cases (whether promotion and tenure, tenure only, or promotion only) that receive negative recommendations from either a committee, an administrator, or both, including appeal options. References to departments are inclusive of schools and references to department heads or chairs are inclusive of school directors. ~~The table is for reference only.~~

~~**Probationary Period**~~

~~**Decision**~~	~~**Next Step**~~
~~Negative decision after *first* review during probationary period~~	~~No appeal~~
~~Negative decision on *second* review during probationary period~~	~~May appeal to next higher level~~
~~Appeal granted by next higher level~~	~~Moves to next level in process for normal consideration~~

~~**Final/mandatory year**~~

~~**Decision**~~	~~**Next Step**~~
~~Negative recommendation by department committee and by department head or chair~~	~~Moves to college committee and dean~~
~~Negative recommendation by department committee; positive recommendation by department head or chair~~	~~Moves to college committee and dean~~
~~Positive recommendation by department committee; negative recommendation by department head or chair~~	~~Moves to college committee and dean~~
~~Negative recommendation by college committee and dean~~	~~May appeal to University Promotion and Tenure Committee (through the provost)~~
~~Appeal granted by the University Promotion and Tenure~~	~~Moves to University Promotion and Tenure Committee (through the provost)~~
~~Negative recommendation by college committee; positive recommendation by dean~~	~~Moves to University Promotion and Tenure Committee and provost~~
~~Positive recommendation by college committee; negative recommendation by dean~~	~~Moves to University Promotion and Tenure Committee and provost~~
~~Negative recommendation by the provost~~	~~May appeal to Faculty Review Committee, recommendation is advisory to the president.~~
~~Negative recommendation by president~~	~~No appeal~~
~~Negative decision by the Board of Visitors~~	~~No appeal~~

DECISION / RECOMMENDATION	NEXT STEP
Positive by department committee and by the department head or chair	Moves to college committee and dean
Negative by department committee; positive by department head or chair	Moves to college committee and dean
Positive by department committee; negative by department head or chair	Moves to college committee and dean

Negative by department committee and by department head or chair	~~Pre-tenure~~ Mandatory year: Automatically moves to college committee and dean All other cases: May appeal to the dean
Appeal granted by the dean and/or the college committee	*Resumes ~~standard~~ review process in the college*
Appeal denied by both the dean and the college committee	*Process complete*
Positive by college committee and by the dean	Moves to University Promotion and Tenure Committee and provost
Negative by college committee; positive by dean	Moves to University Promotion and Tenure Committee and provost

DECISION / RECOMMENDATION	**NEXT STEP**
Positive by college committee; negative by dean	Moves to University Promotion and Tenure Committee and provost
Negative by college committee and the dean	May appeal to University Promotion and Tenure Committee (via the provost)
Appeal granted by the University P&T Committee or provost	*Resumes ~~standard~~ review process at the university level*
Appeal denied by the University P&T Committee and provost	*Process complete*
Negative by the provost	May appeal to Faculty Review Committee
Faculty Review Committee makes recommendation to president	*President makes recommendation to Board of Visitors*
Negative by president	No appeal
Negative by the Board of Visitors	No appeal

RESOLUTION TO APPROVE CLOSURE OF DEPARTMENT OF APPAREL, HOUSING, AND RESOURCE MANGEMENT (AHRM)

MATERIALS INCLUDED

- Resolution
- SCHEV Proposal

RESOLUTION TO APPROVE CLOSURE OF DEPARTMENT OF APPAREL, HOUSING, AND RESOURCE MANGEMENT (AHRM)

Academic Area: College of Liberal Arts and Human Sciences

The Department of AHRM will be closed and all academic programs, personnel, and resources will be transferred to the School of Design in the College of Architecture, Arts, and Design.

The closure of the department will align the academic, research, and scholarship portfolio of the College of Liberal Arts and Human Sciences and the School of Design in the College of Architecture, Arts and Design. Closing the department will foster strategic faculty and student collaboration in both colleges. The closure of the department was approved by the faculty in October of 2024.

RECOMMENDATION:

That the resolution for the closure of the Department of Apparel, Housing, and Resource Management (AHRM) in the College of Liberal Arts and Human Sciences be approved and the proposal forwarded to the State Council of Higher Education for Virginia (SCHEV) for approval.

March 25, 2025

Table of Contents

Institution
Virginia Polytechnic Institute and State University

Nature of Proposed Change
Virginia Polytechnic Institute and State University (Virginia Tech) requests approval to reorganize the College of Architecture, Arts, and Design, School of Design and to close the Department of Apparel, Housing, and Resource Management in the College of Liberal Arts and Human Sciences.

Appendix A presents the existing organizational structure of the College of Liberal Arts and Human Sciences.
Appendix B presents the proposed organizational structure of the College of Liberal Arts and Human Sciences after the reorganization.

Background
The College of Liberal Arts and Human Sciences was established in 2003. The college oversees academic units that focus on broad areas of liberal arts and human sciences academic programs, such as communication, education, and political science. The College of Liberal Arts and Human Sciences has thirteen (13) academic units consisting of three (3) schools and ten (10) departments including the Department of Apparel, Housing, and Resource Management. The Department of Apparel, Housing, and Resource Management was established in 2003. The purpose of the department was and remains to administer a degree program focused on fashion merchandising and design, residential environments and design, property management, and consumer studies.

Virginia Tech established a standalone College of Architecture in 1964. In 1976, the college was renamed the College of Architecture and Urban Studies. The college was renamed the College of Architecture, Arts, and Design in 2022. The college oversees academic units that focus on architecture, the visual and performing arts, and design disciplines. The College of Architecture, Arts, and Design has four (4) academic units including the School of Design. The School of Design was established in 2022. The purpose of the school was and remains to administer academic programs with design elements central to the discipline such as interior design, industrial design, and landscape architecture.

On June 7, 2024, the Executive Vice President and Provost met with the Dean of the College of Liberal Arts and Human Sciences and the Department Head of the Department of Apparel, Housing, and Resource Management to discuss the Department of Apparel, Housing, and Resource Management. During the meeting, the group discussed the goals of the college, the status of the department and its portfolio including academic programs and research, personnel, and resources. The group also discussed the results of the most recent institutional Academic Program Review conducted in the Fall of 2023 and submitted to the Department Head and the Dean’s Office in early Spring 2024. The recommendations of the report included: 1. Increasing student enrollment, 2. Enhancing collaboration with the School of Design and relevant departments, 3. Evaluating common academic and research activities for potential partnerships across the institution, and 4. Seeking external resources for goals beyond current departmental capabilities. As part of the discussion, relocation and closure of the department was considered.

The group determined that the best course of action for faculty, staff, and students in the department would be to close the department and relocate the degree program and minor programs to the College of Architecture, Arts and Design, School of Design.

On June 18, 2024, a meeting between the Deans of the College of Liberal Arts and Human Sciences and the College of Architecture, Arts, and Design, the Department Head of the Department of Apparel, Housing, and Resource Management, and the Director of the School of Design was held to discuss the possibility of moving the Apparel, Housing, and Resource Management degree program and minor programs to the School of Design in the College of Architecture, Arts, and Design. As part of this meeting, the group discussed the potential impact of the relocation of the Department of Apparel, Housing, and Resource Management's faculty, staff, and students to both the Department of Apparel, Housing, and Resource Management and the School of Design. It was decided that the group would further investigate the process, requirements, and impacts of closing an academic unit and relocating the degree program and minor programs to another academic unit. The group also planned to meet with the faculty of both the Department of Apparel, Housing, and Resource Management and the School of Design to discuss their concerns.

On August 13, 2024, the Deans of the Colleges of Liberal Arts and Human Sciences and Architecture, Arts, and Design, the Department Head of the Department of Apparel, Housing, and Resource Management, and the Director of the School of Design met with the Associate Vice Provost for Degree Innovation and SCHEV Compliance. The group discussed the internal and external processes and requirements for closing a department and relocating the degree program and minor programs to the School of Design.

On August 15, 2024, the Director and the faculty in the School of Design met to discuss the relocation of the degree program, minor programs, faculty, staff, and students from the Department of Apparel, Housing, and Resource Management to the School of Design. The faculty asked questions and raised concerns. Overall, the School of Design faculty was supportive about the opportunities for teaching, research, and growth that would result from the relocation of Apparel, Housing, and Resource Management faculty and staff to the school. The primary concern for the School of Design faculty was related to the impact of school resources on existing degree programs once the Apparel, Housing, and Resource Management degree program was relocated to the school.

On August 19, 2024, the Department Head and the faculty in the Department of Apparel, Housing, and Resource Management met to discuss the closure of the department and the relocation of the faculty and staff to the School of Design. The group reviewed the recommendations from the Academic Program Review as part of this discussion. Overall, faculty members were open to a relocation to the School of Design. Primary questions and concerns expressed during the meeting included job impact (e.g., teaching and research responsibilities), differences in departmental culture, maintenance of the Apparel, Housing, and Resource Management identity for faculty, students and staff once relocated into the school, and the logistics of the transition.

On September 27, 2024, the Director of the School of Design attended the faculty meeting for the Department of Apparel, Housing, and Resource Management to discuss the relocation of the degree program, faculty, staff, and students to the School of Design. The goal of this meeting was for the School of Design Director to meet the Apparel, Housing, and Resource Management faculty and staff, discuss the purpose, focus, and goals of the school, and answer questions regarding the relocation.

On October 4, 2024, the Dean of the College of Architecture, Arts, and Design and School of Design Director met with the Department Head and faculty of the Department of Apparel, Housing, and Resource Management to discuss the relocation of faculty and staff to the School of Design. This meeting provided an opportunity for the faculty to meet and interact with the school director and the dean, ask questions and voice concerns. The Dean and the School Director expressed their commitment to the faculty and staff, the? growth of the Apparel, Housing, and Resource Management degree program and minors, equal and fair representation, and transparency in school leadership.

On October 9, 2024, an anonymous online survey was administered to the eighteen (18) full-time faculty in the Department of Apparel, Housing, and Resource Management. The survey asked participants to vote on closing the department and relocating the degree and minor programs, as well as all personnel, to the School of Design in the College of Architecture, Arts, and Design. Results of the survey indicated seventeen (17) votes yes and one (1) vote no. The results were presented to the Deans of the College of Liberal Arts and Human Sciences and Architecture, Arts, and Design. In December 2024, the Dean of the College of Liberal Arts and Human Sciences recommended to the Executive Vice President and Provost to close the department.

Purpose of Proposed Change
The purpose of the proposed organizational change is to close a department that is no longer needed to administer degree programs and other academic programs.

Mission
The proposed organizational change will not alter or change the university's mission. The mission of Virginia Tech states:

> "Inspired by our land-grant identity and guided by our motto, *Ut Prosim* (That I May Serve), Virginia Tech is an inclusive community of knowledge, discovery, and creativity dedicated to improving the quality of life and the human condition within the Commonwealth of Virginia and throughout the world."

The proposed organizational change will align with Virginia Tech's mission. The proposed reorganization of the College of Architecture, Arts, and Design and closure of the Department of Apparel, Housing, and Resource Management in the College of Liberal Arts and Human Sciences will help both colleges create a more "inclusive" academic unit with the remaining departments. The proposed closure of the department will also ensure the College's departments reflect its academic offerings.

Rationale for Proposed Change
The proposed reorganization of the College of Architecture, Arts, and Design will be

advantageous to the college and university. The proposed reorganization will help the college in two ways: 1) Align the academic, research, and scholarship portfolio of both the College of Architecture, Arts, and Design and the College of Liberal Arts and Human Sciences, and 2) Foster strategic faculty and student collaboration.

Align Colleges' Discipline Portfolio
The academic programs in the Department of Apparel, Housing, and Resource Management are focused on apparel and residential design, property management, and consumer studies. Faculty scholarship and research and the department's outreach and engagement also focus in areas of design and consumer behavior. In this existing organizational structure, the programs are housed within a college with academic units that focus on communication, education, English, history, human development and family science, languages and literatures, philosophy, political science, public and international affairs, religion and culture, science, technology, and society, and sociology.

In contrast, the School of Design in the College of Architecture, Arts, and Design include academic programs focused on design disciplines such as industrial design, interior design, and landscape design. Academic programming and faculty research in the existing department closely align with the focus and academic programming present in the School of Design. Reorganizing the College of Architecture, Arts, and Design and relocating the academic programming and faculty from the Department of Apparel, Housing, and Resource Management to the School of Design, College of Architecture, Arts, and Design will be an important step in creating a cohesive portfolio for the school and college.

Strategic Collaboration
Relocating the academic programming housed in the Department of Apparel, Housing, and Resource Management to the School of Design will allow better alignment for the academic programs and provide opportunities for faculty with similar scholarly interests to collaborate. When related degree programs are housed within the same academic unit with shared leadership and administrative functions, creating collaborative experiences such as co-teaching courses, course scheduling, experiential learning opportunities, and scholarship funding are easier for faculty and students to achieve. Relocating the academic programs, faculty, and staff to the School of Design will provide more opportunities for the students, faculty, and staff to work together to support one another in the field of design at the institution. Faculty from fashion, interior, and residential design, as well as those in consumer behavior and property management, can conduct collaborative projects and create shared experiential learning opportunities focused on consumer needs and sustainability. This move will serve more students and expand learning goals beyond individual degree programs. Centralizing these programs under one School Director, Dean, and college administrative processes will facilitate easier collaboration and ensure cohesive support for all disciplines involved. Thus, the proposed organizational change to close the Department of Apparel, Housing, and Resource Management and relocate the Apparel, Housing, and Resource Management degree program and minors will ensure that faculty and students can easily collaborate across related disciplinary areas.

Academic Units
The proposed reorganization of the college to close the department will not negatively affect any

academic units currently in the College of Architecture, Arts, and Design. The proposed organizational change will affect the School of Design in the College of Architecture, Arts, and Design. The existing resources of faculty, funding, and the academic programs in the existing Department of Apparel, Housing, and Resource Management will be relocated to the School of Design in the College of Architecture, Arts, and Design.

The College of Architecture, Arts, and Design has four (4) schools.

School of Architecture
School of Design
School of Performing Arts
School of Visual Arts

Academic Programs
The proposed reorganization will not negatively affect the academic programs in the existing schools in the college. The existing academic programs in the Department of Apparel, Housing, and Resource Management will relocate to the College of Architecture, Arts, and Design, School of Design. No changes will occur to the academic programs as a result of the move to another academic unit.

The existing academic programs in the Department of Apparel, Housing, and Resource Management are:

Bachelor of Science (B.S.) in Apparel, Housing, and Resource Management

Minor in Consumer Studies
Minor in Housing and Society
Minor in Property Management
Minor in Residential Environments

As a result of the reorganization, the following academic programs will be offered in the School of Design:

Bachelor of Science (B.S.) in Apparel, Housing, and Resource Management
Bachelor of Science (B.S.) in Industrial Design
Bachelor of Science (B.S.) in Interior Design
Bachelor of Landscape Architecture (B.L.A.) in Landscape Architecture
Master of Landscape Architecture (M.L.A.) in Landscape Architecture

Minor in Consumer Studies
Minor in Housing and Society
Minor in Industrial Design
Minor in Landscape Architecture
Minor in Property Management
Minor in Residential Environments

Resources/Budget
No changes will occur in the administration of the College of Architecture, Arts, and Design, School of Design as a result of the proposed organizational change. All administrative and staff positions will remain the same. It is expected that the proposed reorganization will result in a change to the College's operating budget. The Department of Apparel, Housing, and Resource Management has a budget of $3,001,837 and the budget will be added to the existing budget of the College of Architecture, Arts, and Design, School of Design as a result of the proposed organizational change.

The existing current budget of the College of Architecture, Arts, and Design is and will continue to be allocated pragmatically between all of the schools within the college. The existing budget of the School of Design is and will continue to be allocated pragmatically between all of the academic programs within the school. School resources are typically funded directly from the Office of the Dean based on number of faculty, facility needs, and related direct expenditures. This process would not change. Each school will continue to have budgetary discretion over the funds allocated to the school.

The existing budget for the Department of Apparel, Housing, and Resource Management will be moved from the College of Liberal Arts and Human Sciences to the College of Architecture, Arts, and Design, School of Design.

<u>Administration</u>
Cost for the administration of the department is $242,143. The Department Head, a full-time faculty member in the department, currently receives $7,000 in additional compensation for serving in the leadership position. The salary is $181,429, including the $7,000 salary stipend, and fringe benefits are $60,714, for a total of $242,143. Once relocated to the School of Design, the total salary and fringe benefits, including the current additional compensation for leadership, will remain the same.

Administrative Support
The department is currently supported by three (3) full-time administrative support staff. The department is currently supported by one (1) full-time communications coordinator. The communications coordinator will report to the Director, School of Design and be responsible for preparing news releases, creating promotional materials, and program marketing. The salary is $46,384 and fringe benefits are $26,709, for a total of $73,093.

The department is currently supported by one (1) full-time administrative and fiscal assistant. The administrative and fiscal assistant will report to the Director, School of Design and be responsible for a range of support tasks such as performing general fiscal management of the budget and clerical duties. The salary is $62,000 and fringe benefits are $30,642, for a total of $92,642.

The department is currently supported by one (1) full-time academic advisor. The academic advisor will report to the Director, School of Design and be responsible for a range of student support tasks such as assisting students with course selection and registration, changes in majors/minors, and referrals for academic support services. The salary is $54,366 and fringe benefits of $28,719, for a total of $83,085.

The total salary for administrative support is $162,750 and fringe benefits are $86,070, for a total of $248,820.

Faculty

Currently, eighteen (18) full-time faculty are in the Department of Apparel, Housing, and Resource Management, including the Department Head. The department has eight (8) tenured faculty, four (4) tenure-track faculty, three (3) professors of practice, and two (2) faculty members on visiting faculty status. The full-time faculty, not including the Department Head, have a total salary of $1,580,320 with fringe benefits of $653,435, for a total of $2,233,755.

The department has one (1) adjunct faculty member. Adjunct faculty are budgeted at $12,500 with no fringe benefits.

No faculty positions will be eliminated as a result of the proposed closure of the department.

The total for salary for faculty is $1,592,820 and the total for fringe benefits is $653,435, for a total of $2,246,255.

Space

The faculty, staff, and resources for the existing Department of Apparel, Housing, and Resource Management will not physically move as a part of the proposed organizational change to reorganize the College of Architecture, Arts, and Design. The department is located in Wallace Hall on the main campus in Blacksburg, VA. The physical space, including offices and meeting rooms, will be reallocated to the College of Architecture, Arts, and Design, School of Design for continued use by the existing personnel. No new space, including office and meeting rooms, will be required for the proposed organizational change.

Miscellaneous

There will be an initial, one-time expenditure of $3,825 to be utilized for the signage (internal to the building), new website/logo, and business cards. The cost will be accommodated by existing resources in the budget of the dean's office in the College of Architecture, Arts, and Design and the existing resources of the Department of Apparel, Housing and Resource Management.

Signage	$250
Business Cards	$1,575
New Website/Logo	$2,000
Total	**$3,825**

Sustainability

The budget presents current expenditures for the Department of Apparel, Housing, and Resource Management in the College of Liberal Arts and Human Sciences. All of the resources for the existing Department of Apparel, Housing, and Resource Management will be reallocated and moved to the College of Architecture, Arts, and Design, School of Design. The Department of

Apparel, Housing, and Resource Management has a budget of $3,098,422 and the budget will be added to the existing budget of the School of Design as a result of the proposed organizational change. Virginia Tech and the College of Architecture, Arts, and Design, School of Design have adequate and sufficient resources to reorganize the college. No new resources will be requested from the state to establish or sustain the proposed organizational change to reorganize the College of Architecture, Arts, and Design, School of Design and to close the Department of Apparel, Housing, and Resource Management in the College of Liberal Arts and Human Sciences.

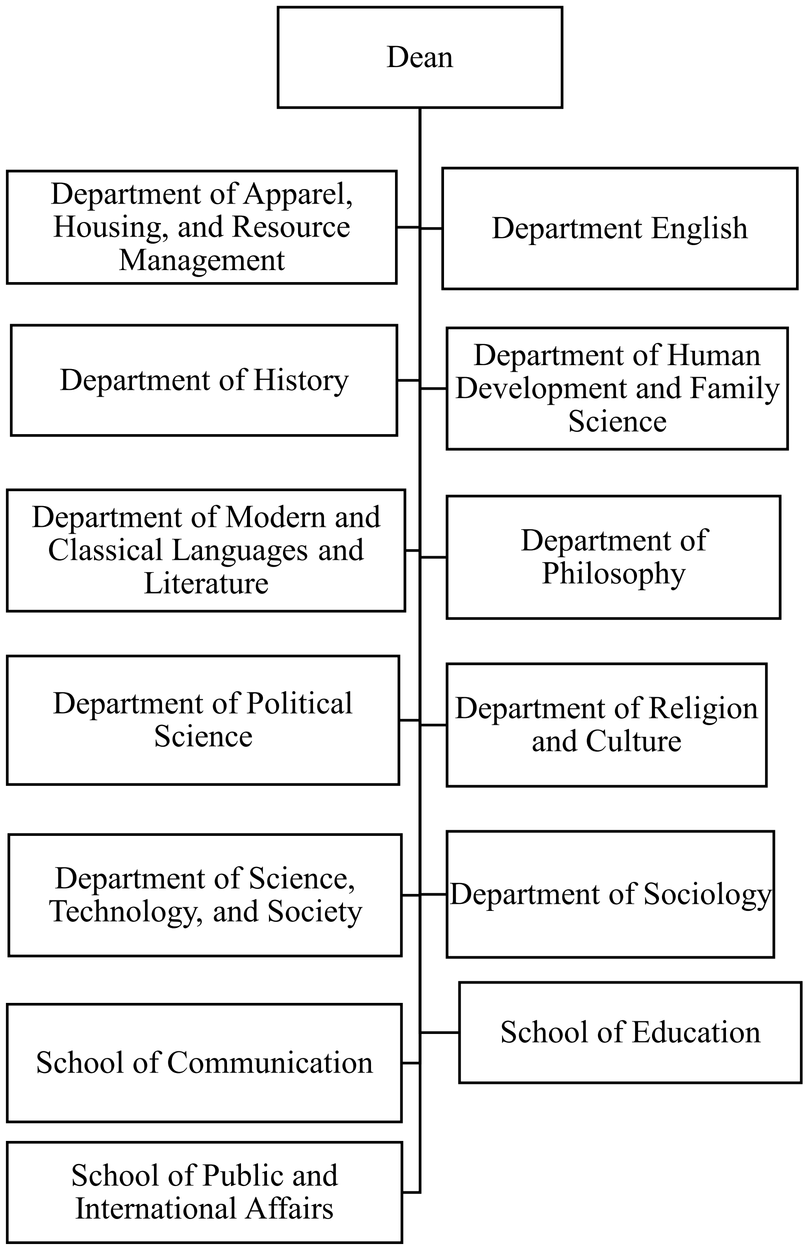
Budget
The budget presents the expenditures for the existing Department of Apparel, Housing, and Resource Management. With the relocation of the existing department resources, no positions will be eliminated.

The proposed reorganization to close the Department of Apparel, Housing, and Resource Management will have minimal impact on the College of Liberal Arts and Human Sciences. The relocation of staff, faculty, and the funding supporting the department will not negatively impact other departments or academic programs in the College of Liberal Arts and Human Sciences. The operational expenses allocation provides for expenditures to include office supplies, travel, instructional supplies, and marketing. All of the costs associated with miscellaneous items have been included in the budget.

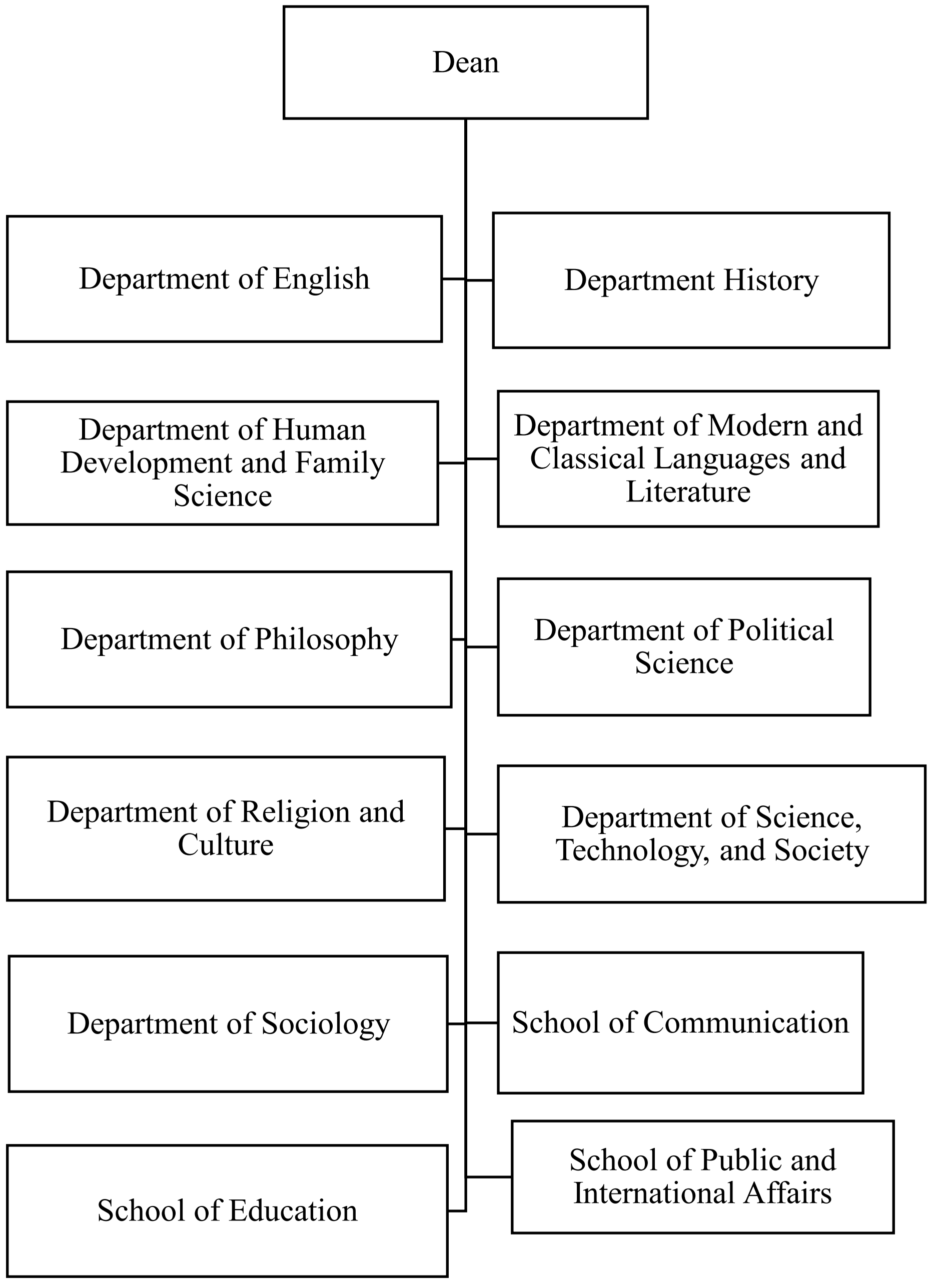
Reorganization Relocate an Academic Unit - Name: Department of Apparel, Housing, and Resource Management						
	Current Budget		**Proposed Budget**			
Expenditure Category	**HDCT**	**20 24 - 20 25**	**HDCT**	**20 25 - 20 26**	**20 26 - 20 27**	**20 27 - 20 28**
Personnel Salary						
Position Title: Department Head	1	$181,429				
Fringe Benefits		$60,714				
Position Title: Communications Coordinator	1	$46,384	1	$46,384	$46,384	$46,384
Fringe Benefits		$26,709		$26,709	$26,709	$26,709
Position Title: Administrative and Fiscal Assistant	1	$62,000	1	$62,000	$62,000	$62,000
Fringe Benefits		$30,642		$30,642	$30,642	$30,642
Other Personnel (specify in text): Academic Advisor	1	$54,366	1	$54,366	$54,366	$54,366
Fringe Benefits		$28,719		$28,719	$28,719	$28,719
Administration Subtotal	4	$490,963	3	$248,820	$248,820	$248,820
Faculty	18	$1,592,820	19	$1,774,249	$1,774,249	$1,774,249
Fringe Benefits		$653,435		$714,149	$714,149	$714,149
Faculty Subtotal	18	$2,246,255	19	$2,488,398	$2,488,398	$2,488,398
Student Support						
Student Workers						
Graduate Teaching Assistant						
Graduate Research Assistant						
Student Support Subtotal	0	$0	0	$0	$0	$0
Operating Expenses						
Office Supplies		$95,434		$95,434	$95,434	$95,434
Instructional Supplies		$161,704		$161,704	$161,704	$161,704
Travel		$54,093		$54,093	$54,093	$54,093
Marketing		$47,473		$47,473	$47,473	$47,473
Conference/Professional Development		$2,500		$2,500	$2,500	$2,500
Other Costs (specify in text)				$3,825		
Operating Expenses Subtotal		$361,204		$365,029	$361,204	$361,204
Total	**22**	**$3,098,422**	**22**	**$3,102,247**	**$3,098,422**	**$3,098,422**

Appendices

Appendix A – Current Organizational Structure
College of Liberal Arts and Human Sciences Organizational Chart



Appendix B – Proposed Organizational Structure
College of Liberal Arts and Human Sciences Organizational Chart



Resolution on the Demolition of University Building 0800

BUILDINGS AND GROUNDS COMMITTEE

Tuesday, March 25, 2025

The Committee will review for approval a resolution on the demolition of university building 0800.

The university requests approval to demolish building no. 0800 (Frame 1-Family Main Dwelling). This facility is a wood framed 3,495 gross square foot dwelling, two-stories above grade on a stone foundation basement. It is located at the Middleburg Agricultural Research and Extension Center, 5414 Sullivans Mill Road, Middleburg, Virginia. Originally constructed in 1940, with two odd-shaped later additions and a deck, the building was used for residential farm worker housing, is currently unoccupied, is in poor condition, and is uneconomical to repair. The site would be repurposed for bulk storage of farm materials.

The facility is located within the Little River Rural Historic District and was identified in 2010, survey DHR ID 030-5579-0016, as a contributing asset to the district, constructed prior to the transfer of ownership of the Edgewood and Greenhill estates from Paul Mellon to Virginia Tech in 1948 for the establishment of the outreach experiment station. The university will obtain review from the Department of Historic Resources and the Art and Architecture Review Board, and any required approvals prior to the demolition of this structure.

DEMOLITION of UNIVERSITY BUILDING NO. **0800**

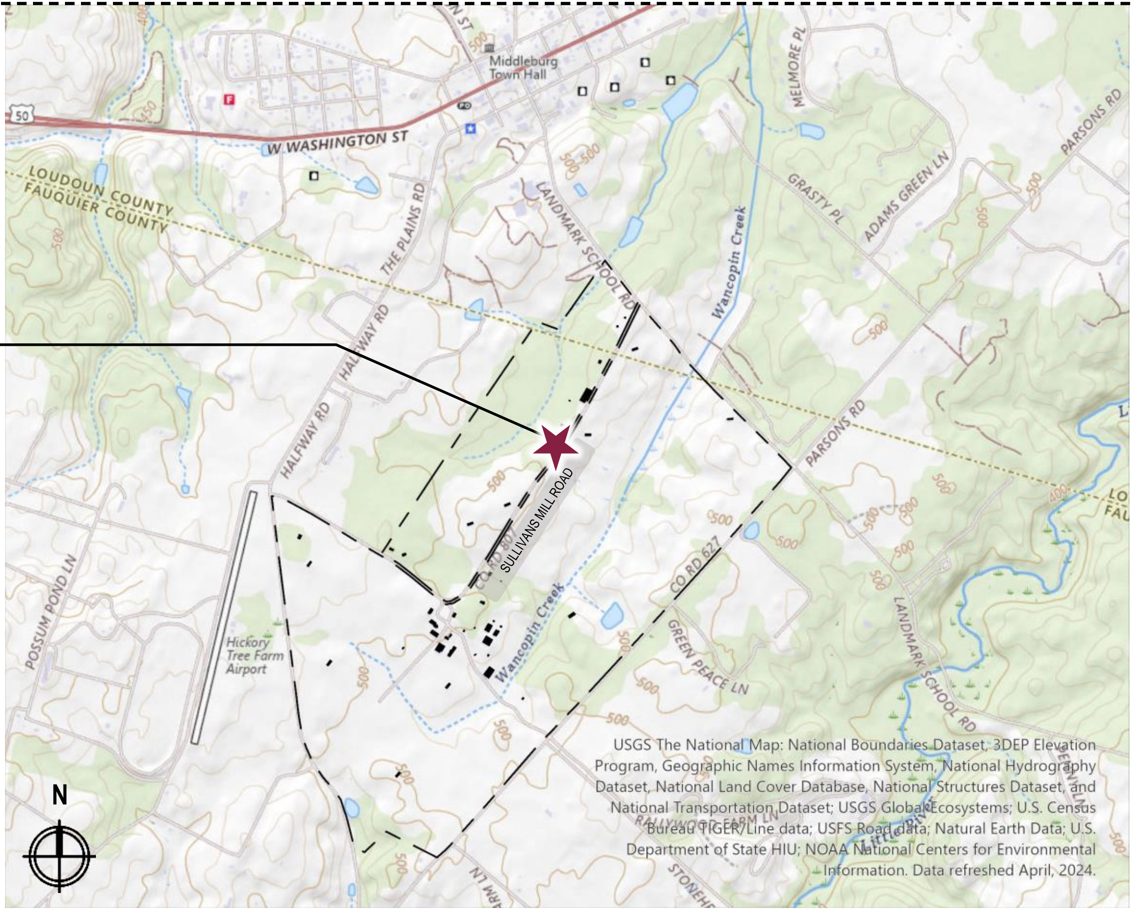
LIZA MORRIS

ASSISTANT VICE PRESIDENT FOR PLANNING AND UNIVERSITY ARCHITECT

March 25, 2025

PROJECT LOCATION

SITE



Middleburg Agricultural
Research and Extension Center
Middleburg, VA

PROJECT SITE

Middleburg Agricultural
Research and Extension Center
Middleburg, VA

EXISTING CONDITIONS

BUILDING NO. 0800

VIEW TO THE NORTHWEST

VIEW TO THE SOUTHWEST

EXISTING CONDITIONS

BUILDING NO. 0800

VIEW TO THE SOUTHEAST

VIEW TO THE NORTHEAST

RECOMMENDATION

That the resolution authorizing the Demolition of University Building No. 0800 (Frame 1-Family Main Dwelling) be approved.

RESOLUTION ON DEMOLITION OF UNIVERSITY BUILDING – BUILDING NO. 0800 (FRAME 1-FAMILY MAIN DWELLING)

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has the authority to approve the disposition of any building; and

WHEREAS, the Building No. 0800 (Frame 1-Family Main Dwelling) is a wood framed 3,495 gross square foot dwelling, two-stories above grade on a stone foundation basement, located at the Middleburg Agricultural Research and Extension Center, 5414 Sullivans Mill Road, Middleburg, Virginia; and

WHEREAS, the building was constructed in 1940, with later additions, was used for residential farm worker housing, is currently unoccupied, is in poor condition and uneconomical to repair; and

WHEREAS, the university seeks to repurpose the site for bulk storage of farm materials; and

WHEREAS, the facility is located within the Little River Rural Historic District and was identified in 2010, survey DHR ID 030-5579-0016, as a contributing asset to the district; and

WHEREAS, the university will obtain review from the Department of Historic Resources and the Art and Architecture Review Board, and any required approvals prior to the demolition of this structure;

NOW, THEREFORE, BE IT RESOLVED that the Board of Visitors approve the demolition of Building No. 0800, located at the Middleburg Agricultural Research and Extension Center in Middleburg, Virginia, in accordance with the applicable statues of the Code of Virginia (1950), as amended.

RECOMMENDATION:

That the above resolution authorizing the demolition of university building no. 0800 be approved.

March 25, 2025

RESEARCH AND INNOVATION
SCHOLARLY INTEGRITY AND RESEARCH COMPLIANCE
VIRGINIA TECH.

Cristen Jandreau, PhD
Director, Research Conflict of Interest Program
Chair, Management Plan Advisory Committee
Scholarly Integrity and Research Compliance
North End Center, Suite 4120
300 Turner Street NW
Blacksburg, Virginia 24061-6100
P: (540) 231-4824
email: drj@vt.edu

Date: 2/7/2025

To: Board of Visitors

Subject: Report of open contracts entered into subject to the Code of Virginia "State and Local Government Conflict of Interests Act" ("the Act") § 2.2-3106 C. 8.

There were four contracts entered into at the time of this report from 10/1/2024 – 12/31/2024 subject to the Act's exception for prohibited contracts involving research and development or commercialization of intellectual property. Details as per the Act § 2.2-3106 E. are included below.

Contract	1 (of 4)
Open contract number	PYMDF4UA
Names of parties	Virginia Tech and Sentek Instrument, LLC
Date contract executed	1/9/2025
Contract term	8/1/2024-7/31/2027
Subject of contract	"Monitoring Ceramic Fuel Fracture Via Fiber Optic Acoustic Emission Sensors"
Nature of COI	Anbo Wang, Professor in the Department of Electrical and Computer Engineering, has disclosed that he holds an equity interest exceeding 3% in Sentek Instrument, LLC and has received payments exceeding $5,000 in the past 12 months for serving as the company's President and Chief Executive Officer. Virginia Tech has received an award from the Department of Energy that includes a subaward to Sentek Instrument, LLC. Anbo Wang will not be involved in the research. In the context of sponsored research, the disclosed financial interests represent a conflict of interest with state law implications. The Research Conflict of Interest Program has implemented a management plan to promote objectivity.

Institution employee responsible for administering contract	Linda Duffy, contract administration signatory Director, Virginia Tech Office of Sponsored Programs
The institution's commitment of resources or finances for the contract	N/A
Details of how revenues are to be disbursed	N/A (no revenues will be generated)

Contract	2 (of 4)
Open contract number	P5WWC4HU
Names of parties	Virginia Tech and Kryptowire LLC
Date contract executed	9/6/2024
Contract term	9/6/2024-9/8/2025
Subject of contract	"DPUQC: Data Pipeline Uncertainty and Quality Control for Trustworthy Space Autonomy"
Nature of COI	Angelos Stavrou, Professor in the Bradley Department of Electrical and Computer Engineering, has disclosed holding an equity interest exceeding 3% in Kryptowire LLC and the receipt of payments exceeding $5,000 in the past 12 months. Dr. Stavrou is the founder of and a principal for Kryptowire LLC. Kryptowire LLC has received an STTR award from the National Aeronautics and Space Administration that includes a subaward to Virginia Tech. Angelos Stavrou will not be involved in the research. In the context of sponsored research, the disclosed financial interests represent a conflict of interest with state law implications. The Research Conflict of Interest Program has implemented a management plan to promote objectivity.
Institution employee responsible for administering contract	Linda Duffy, contract administration signatory Director, Virginia Tech Office of Sponsored Programs
The institution's commitment of resources or finances for the contract	N/A

Details of how revenues are to be disbursed	N/A (no revenues will be generated)

Contract	3 (of 4)
Open contract number	PRIE3PYG
Names of parties	Virginia Tech and Manomet Conservation Sciences
Date contract executed	6/11/2024
Contract term	11/1/2023-5/15/2025
Subject of contract	"Applying Social and Biological Sciences to Prevent Human Disturbance of Atlantic Flyway Shorebirds-IV"
Nature of COI	Ashley Dayer, Associate Professor in the Department of Fish and Wildlife Conservation, has updated her disclosure, consistent with the requirements of the university's COI policy, to report the receipt of payments exceeding $5,000 in the past 30 days from Manomet Conservation Sciences (Manomet Inc.) for consulting services. Virginia Tech has received an award from the National Fish & Wildlife Foundation that includes a subcontract to Manomet Inc. Ashley Dayer is serving as the Principal Investigator for Virginia Tech. In the context of sponsored research, this financial interest represents a financial conflict of interest with state law implications. The Research Conflict of Interest Program has implemented a management plan to promote objectivity.
Institution employee responsible for administering contract	Linda Duffy, contract administration signatory Director, Virginia Tech Office of Sponsored Programs
The institution's commitment of resources or finances for the contract	N/A
Details of how revenues are to be disbursed	N/A (no revenues will be generated)

Contract	4 (of 4)

Open contract number	PH5XLUB5
Names of parties	Virginia Tech and Austin Elements, Inc.
Date contract executed	12/23/2024
Contract term	10/1/2024-9/30/2025
Subject of contract	“Valuable mineral recovery and alternative utilization of produced water through a novel process”
Nature of COI	Wencai Zhang, Professor in the Department of Mining and Minerals Engineering, has reported consulting with Austin Elements, Inc. and has received payments from the company exceeding $5,000 in the past 12 months. Virginia Tech has received an award from the Department of Energy that includes a subcontract to Austin Elements, Inc. Wencai Zhang is serving as the Principal Investigator for Virginia Tech. In the context of sponsored research, the disclosed financial interest represents a financial conflict of interest with state law implications. The Research Conflict of Interest Program has implemented a management plan to promote objectivity.
Institution employee responsible for administering contract	Linda Duffy, contract administration signatory Director, Virginia Tech Office of Sponsored Programs
The institution's commitment of resources or finances for the contract	N/A
Details of how revenues are to be disbursed	N/A (no revenues will be generated)

Open Session Agenda

ACADEMIC, RESEARCH AND STUDENT AFFAIRS COMMITTEE

March 24, 2025

	Agenda Item	**Reporting Responsibility**
1.	**Welcome**	N. Dye
2.	**Review and Approve Open Session Agenda**	N. Dye
3.	**Consent Agenda**	N. Dye
	a. Approval of November 19, 2024 Committee Meeting Minutes	
	* b. Resolution to Amend the Faculty Handbook Description of Administrative Support for University Distinguished Professors	
	* c. Resolution to Amend the Faculty Handbook Regarding Description of Clinical Faculty Ranks	
	* d. Resolution to Amend the Faculty Handbook Regarding Ethics of Intimate Relationships Involving Faculty	
	* e. Resolution to Amend the Faculty Handbook Regarding Promotion and Tenure and Related Appeals	
	* f. Resolution for Closure of Department of Apparel, Housing, and Resource Management	
* 4.	**Resolution to Approve Bachelor of Science Degree Designation in Geography**	T. Crawford
5.	**Provost's Update and Discussion**	C. Clarke
6.	**Overview of Promotion & Tenure Process**	R. Fricker
7.	**Update on Residential Well-Being Model and Living Learning Communities**	F. Keene
8.	**Discussion of "Principles Guiding Virginia Tech's Policies and Practices" (discussion draft)**	T. Sands C. Clarke
9.	**Motion to Begin Closed Session**	N. Dye

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* Requires Full Board Approval
\# Discusses Enterprise Risk Management topic(s)

	10.	**Motion to End Closed Session**	N. Dye
	11.	**Report of Closed Session Action Items**	N. Dye
*	**12.**	**Resolution Regarding the Presidential Executive Order on Diversity, Equity, and Inclusion**	N. Dye
	13.	**Closing Remarks and Adjourn**	N. Dye

* Requires Full Board Approval
# Discusses Enterprise Risk Management topic(s)

Open Session Briefing Report

ACADEMIC, RESEARCH AND STUDENT AFFAIRS COMMITTEE

March 24, 2025

Agenda Item		**Reporting Responsibility**
1.	**Welcome** *Nancy Dye, chair of the Academic, Research and Student Affairs Committee, will welcome members and others to the committee's open session.*	N. Dye
2.	**Review and Approve Open Session Agenda** *The chair will review and ask for approval of the Open Session Agenda including items on the Consent Agenda.*	N. Dye
*3.	**Consent Agenda** *The committee will consider approval of items on the consent agenda including the November 19, 2024 meeting minutes, a resolution to amend the faculty handbook regarding the description of clinical faculty ranks, a resolution to amend the faculty handbook description of administrative support for University Distinguished Professors, a resolution to amend the faculty handbook regarding the ethics of intimate relationships involving faculty, a resolution to amend the faculty handbook regarding promotion and tenure and related appeals, and a resolution for the closure of the Department of Apparel, Housing, and Resource Management.*	N. Dye
*4.	**Resolution to Approve Bachelor of Science Degree Designation in Geography** *Tom Crawford, chair of the Department of Geography, will provide an overview of a proposed new B.S. degree designation in Geography to complement the existing B.A. degree in Geography.*	T. Crawford
5.	**Provost's Update and Discussion** *Executive Vice President and Provost Cyril Clarke will update the committee on the university's academic initiatives.*	C. Clarke
6.	**Overview of Promotion & Tenure Process** *Ron Fricker, Vice Provost for Faculty Affairs, will provide an overview of the promotion & tenure process, including a description of how the process contributes to Virginia Tech's aspirations for global distinction, and the extensive review that occurs prior to consideration by the Board of Visitors.*	R. Fricker

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* Requires Full Board Approval
\# Discusses Enterprise Risk Management topic(s)

7. Update on Residential Well-Being Model and Living Learning Communities — F. Keene

Frances Keene, Vice President for Student Affairs, will provide an update on the residential well-being model and Living Learning Programs (LLPs) at Virginia Tech. Data shows that living on campus is valuable for students; Virginia Tech is nationally recognized for our innovative approaches to living on campus through LLPs; these programs extend academic benefits and provide valuable mentorship and leadership opportunities.

8. Discussion of "Principles Guiding Virginia Tech's Policies and Practices" (discussion draft) — T. Sands, C. Clarke

President Tim Sands and Provost Clarke will facilitate a discussion of the principles guiding Virginia Tech's policies and practices as the university continues its long-standing commitment to comply with all applicable anti-discrimination laws.

9. Motion to Begin Closed Session — N. Dye

The committee chair will request that a member of the committee make a motion to take the committee into closed session.

10. Motion to End Closed Session — N. Dye

The committee chair will request that a member of the committee make a motion to end the committee's closed session.

11. Report of Closed Session Action Items — N. Dye

The committee chair will report on those actions that were voted on during closed session.

***12. Resolution Regarding the Presidential Executive Order on Diversity, Equity, and Inclusion** — N. Dye

The committee will consider a resolution regarding actions the university will take in response to guidance from the United States Department of Education and the U.S. Attorney General to assure full compliance with the Equal Protection Clause of the U.S. Constitution, Title VI of the Civil Rights Act of 1964, and other federal civil rights laws.

13. Closing Remarks and Adjourn — N. Dye

The committee chair will provide closing remarks and adjourn the meeting.

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* Requires Full Board Approval

\# Discusses Enterprise Risk Management topic(s)

Closed Session Agenda

ACADEMIC, RESEARCH, AND STUDENT AFFAIRS COMMITTEE

March 24, 2025

		Agenda Item	Reporting Responsibility
*	1.	Resolution to Approve Appointments to Emeritus/a Status (19)	R. Fricker
*	2.	Resolution to Approve Appointments to Endowed Chairs, Professorships, or Fellowships (15)	R. Fricker
*	3.	Resolution to Approve Reappointments to Endowed Chairs, Professorships, or Fellowships (2)	R. Fricker
*	4.	Resolution to Approve Appointments to University Distinguished Professor (1)	R. Fricker
*	5.	Resolution to Approve Appointments to Alumni Distinguished Professor (1)	R. Fricker
*	6.	Resolution to Approve Appointments with Tenure (2)	R. Fricker
*	7.	Resolution to Approve Appointments with Tenure-to-Title (2)	R. Fricker
*	8.	Resolution to Approve Faculty Research Leaves (92)	R. Fricker
	9.	Personnel Changes Report *(voted on by Finance and Resource Management Committee)*	R. Fricker

*Requires Full Board Approval

Closed Session Briefing Report

ACADEMIC, RESEARCH, AND STUDENT AFFAIRS COMMITTEE

March 24, 2025

		Agenda Item	**Reporting Responsibility**
*	**1.**	**Resolutions to Approve Appointments to Emeritus/a Status (19)** *The committee will consider 19 resolutions for appointments to emeritus or emerita status.*	R. Fricker
*	**2.**	**Resolution to Approve Appointments to Endowed Chairs, Professorships, or Fellowships (15)** *The committee will consider 15 resolution for appointment to endowed chairs, professorships, or fellowships.*	R. Fricker
*	**3.**	**Resolution to Approve Reappointments to Endowed Chairs, Professorships, and Fellowships (2)** *The committee will consider two resolutions for reappointments to endowed chairs, professorships, or fellowships.*	R. Fricker
*	**4.**	**Resolution to Approve Appointments to University Distinguished Professor (1)** *The University Distinguished Professorship (UDP) is a pre-eminent faculty rank bestowed by the university's Board of Visitors upon members of the university faculty whose scholarly attainments have attracted national and/or international recognition. The committee will consider one resolution for appointment to University Distinguished Professor.*	R. Fricker
*	**5.**	**Resolution to Approve Appointments to Alumni Distinguished Professor (1)**	R. Fricker

* Requires Full Board Approval

The Alumni Distinguished Professorship (ADP) is a preeminent faculty appointment, reserved by the Board of Visitors for recognition of faculty members who demonstrate extraordinary accomplishments and academic citizenship through substantive scholarly contributions across all three of Virginia Tech's core mission areas of teaching, research or creative activity, and engagement. The committee will consider one resolution for appointment to Alumni Distinguished Professor.

* **6. Resolution to Approve Appointments with Tenure (2)** R. Fricker

The committee will consider a resolution to approve the tenured appointments of two faculty members.

* **7. Resolution to Approve Appointments with Tenure-to-Title (2)** R. Fricker

The committee will consider a resolution to approve two tenure-to-title appointments in the Virginia Tech Carilion School of Medicine

* **8. Resolution to Approve Faculty Research Leaves (92)** R. Fricker

The committee will consider a resolution to approve 92 requests for faculty research leave.

9. Personnel Changes Report R. Fricker

The Faculty Personnel Changes Report is considered by the Finance and Resource Management Committee at each meeting. Highlights from that report, of faculty actions that may be strategically relevant to this committee, will be shared.

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* Requires Full Board Approval

RESOLUTION TO APPROVE OF BACHELOR OF SCIENCE (B.S.) IN GEOGRAPHY DEGREE DESIGNATION

MATERIALS INCLUDED

- Resolution
- Overview of Proposal
- Degree Designation Proposal

RESOLUTION TO APPROVE OF BACHELOR OF SCIENCE (B.S.) IN GEOGRAPHY DEGREE DESIGNATION

Academic Area: College of Natural Resources and Environment

Requested initiation: Fall 2025

Virginia Tech currently offers the Bachelor of Arts (B.A.) in Geography degree program. As the field of geography has evolved, advancements in technologies including digital mapping and visualization, spatial analysis, and big data, and the integration of other disciplines (e.g., computer science), more technical focus areas have emerged (e.g., geographic information systems (GIS) and remote sensing). These areas align more closely with a B.S. degree designation than the B.A. degree designation.

The B.S. degree designation is needed to address the technical skills aligned with positions such as geographic information systems specialists, geospatial analysts, and remote sensing specialists.

Six SCHEV peer institutions offer both the B.A. and the B.S. in Geography. The addition of the B.S. degree designation would allow Virginia Tech to align with the six (6) institutions that offer both degree designations in the field of geography.

RECOMMENDATION:

That the resolution to approve a Bachelor of Science in Geography degree designation be approved and the proposal forwarded to the State Council of Higher Education for Virginia (SCHEV) for approval.

March 25, 2025

B.S. Degree Designation in Geography

Purpose: To prepare students with the knowledge and skills needed for entry-level positions in geography, cartography, geography information science, remote sensing, or graduate programs in physical or social sciences. The B.S. degree designation program has been developed to provide students with a focus and more rigorous courses in mathematics, geographic information systems, programming, and remote sensing.

Credits: 120 credits, 21 core curriculum, 4 Major Coursework, 16 GIST Option,18 Restricted Electives (9-12 Geospatial & 6-9 Geography), **<u>59 credits in the B.S. Geography degree/major</u>.**

Selected Courses (* required courses)

GEOG 2084*	Principles of Geographic Information Systems *(3 Lec, 3 Crd)*
GEOG 3314*	Cartography *(2 Lec, 3 Lab, 3 Crd)*
CS 1064*	Introduction to Programming in Python (*3 Lec, 3 Crd)*
GEOG 4084*	Modeling with GIS *(1 Lec, 6 Lab, 3 Crd)*
GEOG 4314*	Spatial Analysis in Geographic Information Systems *(2 Lec, 3 Lab, 3 Crd)*
GEOG 4324*	Algorithms in GIS *(3 Lec, 3 Lab, 4 Crd)*
GEOG 4354*	Introduction to Remote Sensing *(2 Lec, 3 Lab, 3 Crd)*
GEOG 4254	R Programming for Geospatial Applications *(3 Lec, 3 Crd)*
GEOG 4394	Introduction to Web Mapping *(3 Lec, 3 Crd)*
GEOG 4404	Geovisualization *(3 Lec, 3 Crd)*

Peer Institutions with BA/BS Geography

- Virginia: GMU, JMU, ODU, Radford
- SCHEV: Michigan State, Ohio State, Penn State, Florida, Minnesota, Wisconsin

Need and Demand

- More competitive for job placement via scientific specialization that is absent from the current B.A.
- Alumni have reported a strong need for the B.S. designation to produce students that are more competitive.
- GIS minors growth from 2 to 153 from 2016 to 2025 and 78 to 153 from 2020 to 2025.

Employment Skills

- Analyze the distribution of physical geographic features, natural resources, and ecosystems across different regions.
- Assess the impact of human population patterns, cultural practices, and economic activities on natural environments.
- Compile and integrate geographic data from various sources, including field observations, satellite imagery, and existing databases.
- Create and modify maps using GIS software and cartographic principles.
- Evaluate data using geospatial technologies (e.g., remote sensing).
- Develop reports and presentations to communicate complex geographical information to diverse audiences.
- Create ethical guidelines for the use of geospatial technologies and data.

No new resources; Projected enrollment of 100 in the combined BA/BS Geography degree

Table of Contents

Description of the Proposed Program

Program Background

Virginia Polytechnic Institute and State University (Virginia Tech) is requesting approval to add a Bachelor of Science (B.S.) in Geography degree designation to the existing Bachelor of Arts (B.A.) in Geography. The proposed B.A./B.S. degree program in Geography will be located in the College of Natural Resources and Environment, Department of Geography. The new degree designation would be initiated in Fall 2025.

The purpose of the proposed B.S. in Geography degree designation is to prepare students with the knowledge and skills needed for entry-level positions in geography, cartography, geography information science, remote sensing, or graduate programs in physical or social sciences. The B.S. degree designation program has been developed to provide students with a focus and more rigorous courses in mathematics, geographic information systems, programming, and remote sensing. Students will learn about the fundamentals of geographic theory, human impacts on the environment, and the analysis of geographic data. The curriculum will provide students with knowledge of the physical and human patterns and processes that shape the earth's surfaces, the living organisms (e.g., plants, animals, people) that inhabit a location, and the natural and built environments. Students will learn about how natural and human-made phenomena impact the environment in different types of landscapes across the planet. Coursework will also provide knowledge and skills related to the technical aspects of collecting geographic data (e.g., fieldwork, mapping) and the geospatial science theory and skills needed to organize, analyze, and identify trends, patterns, and relationships in the data. Students will learn how to use technologies such as global positioning systems (GPS), geographic information systems (GIS), satellite imagery, and remote sensing. Graduates of the program will be prepared to undertake projects that involve hypothesis testing and complex data analysis using spatial and geographic data. These projects support governments, businesses, academic research, or industry on topics like environmental sustainability, urban planning, geospatial data management and analysis, and public policy. Graduates with the proposed B.S. degree designation in Geography will be prepared to serve in roles such as geographers, cartographers, and GIS analysts in a wide variety of career paths such as academia, private firms, non-profit and non-governmental organizations, and state, local, and federal government agencies.

During the October 2, 2019 faculty meeting, the Department Chairperson initiated a discussion with the program faculty regarding adding a B.S. degree designation to the B.A. in Geography degree program. As part of this discussion, faculty reviewed the state of the geography field and other similar academic programs.

On January 18, 2020, the Department Chairperson directed the Geography Curriculum Committee to evaluate the need for the B.S. designation. The curriculum committee reviewed the current geography curriculum, SCHEV peer institution geography degree programs, and employment demand for a B.S. designation in Geography. On April 1, 2020, the Geography Curriculum Committee presented their research, including a recommendation to add the B.S. designation to the B.A. in Geography, to the program faculty and the department chairperson.

During this same time, the department conducted a systematic review of the degree program as part of the ongoing comprehensive review required by the institution every 5-6 years. As part of this review process, the program faculty produced a self-study report, the Academic Program Review Report Self-Study, that included an evaluation of the degree program's focus and purpose, curriculum, student learning outcomes, and program outcomes. On October 1, 2020, the Department submitted the Academic Program Review Report Self-Study to the college, the Institution's Academic Program Assessment office, and the Academic Program Review Committee. The Academic Program Review Committee consists of four external reviewers and the Associate Director of Institutional Effectiveness at Virginia Tech. The recommendation to add the B.S. designation to the degree program was included in the report.

Also during the fall 2020 semester, the Dean of the College of Natural Resources and Environment requested that departments create plans for the future of academic programming in their respective departments. On September 23, 2020, based on the results of the curriculum committee's review and the Academic Program Review Report Self-Study, the department chairperson submitted a comprehensive strategic plan to "enhance excellence of undergraduate programs" that included the addition of the B.S. Geography degree designation. The plan was approved by the Dean on September 21, 2020.

On January 14, 2021, the department chairperson held a meeting with the college dean, the academic associate dean, department heads, program faculty, and members of the dean's advisory council to discuss the plans to add the degree designation. During the meeting, participants asked questions and provided feedback on the designation addition. There was agreement amongst the participant that the B.S. designation was needed.

On March 26, 2021, the program faculty voted and unanimously approved the addition of the B.S. in Geography degree designation. No further action occurred until spring 2024 as the program faculty worked with the institution's Office of the University Registrar and Enrollment Management to discuss the internal requirements for a new degree designation, major, and option including internal steps and timeline as well as strategies for enrollment for the degree, designations, majors, and subareas. These discussions informed the program faculty to propose the new degree designation with the major and option as subareas.

On March 14, 2024, the department chairperson reinitiated the discussion to add the B.S. designation to the degree program. The faculty voted again to unanimously approve to the addition of the B.S. designation to the B.A. in Geography degree program.

On October 22, 2024, the College of Natural Science and Environment Curriculum Committee voted unanimously to propose the addition of the B.S. degree designation to the existing B.A. in Geography degree program.

Institutional Mission

The proposed B.S. degree program aligns well with the mission of Virginia Tech. The University's mission statement is:

> "Inspired by our land-grant identity and guided by our motto, *Ut Prosim* (That I May Serve), Virginia Tech is an inclusive community of knowledge, discovery, and creativity dedicated to improving the quality of life and the human condition within the Commonwealth of Virginia and throughout the world."

The proposed B.S. designation in Geography aligns with the institution's mission by creating an inclusive community to educate students in geographical concepts and technical skills to enhance human-environment systems and "improve that quality of life" in "Virginia and throughout the world." Students will be prepared to apply geographical techniques to collect, analyze, and interpret data to solve complex geographical challenges through "discovery and creativity."

Addition of Degree Designation

The table shows the curriculum requirements for the current B.A. degree designation and the proposed B.S. degree designation.

B.A. and B.S. in Geography Degree Designations

Current B.A. Curriculum	**Cr. Hrs**	**Proposed B.S. Curriculum**	**Cr. Hrs**
Pathways General Education – 42-45 credits		**Pathways General Education – 42-45 credits**	
Concept 1: Discourse – 9 credits		*Concept 1: Discourse – 9 credits*	
ENGL 1105: First-Year Writing Or COMM 1015: Communication Skills	3	ENGL 1105: First-Year Writing Or COMM 1015: Communication Skills	3
ENGL 1106: First-Year Writing Or COMM 1016: Communication Skills	3	ENGL 1106: First-Year Writing Or COMM 1016: Communication Skills	3
Additional Discourse Course	3	COMM 2004: Public Speaking Or ENGL 3764: Technical Writing Or ENGL 3844: Writing and Digital Media Or HIST 2624: Topics in the History of Data in Social Context	3
Concept 2: Critical Thinking in the Humanities – 6 credits	6	*Concept 2: Critical Thinking in the Humanities – 6 credits*	6
Concept 3: Reasoning in the Social Sciences – 6 credits	6	*Concept 3: Reasoning in the Social Sciences – 6 credits*	6
Concept 4: Reasoning in the Natural Sciences – 6 credits + 2 additional credits		*Concept 4: Reasoning in the Natural Sciences – 6 credits*	6
Reasoning in the Natural Sciences Lecture Courses	6		
Concept 5: Quantitative and Computational Thinking – 9 credits		*Concept 5: Quantitative and Computational Thinking – 9 credits*	
		MATH 1014: Precalculus with Transcendental Functions	3

		STAT 2004: Introductory Statistics Or STS 2604: Introduction to Data in Social Context	3
STAT 3604: Statistics for Social Science Or STAT 3615: Biological Statistics	3	STAT 3604: Statistics for Social Science Or STAT 3615: Biological Statistics	3
Additional Quantitative and Computational Thinking Courses	6		
Concept 6: Critique and Practice in Design and the Arts – 6 credits		*Concept 6: Critique and Practice in Design and the Arts – 6 credits*	
GEOG 3314: Cartography	3	GEOG 3314: Cartography	3
Additional Critique and Practice in Design and the Arts Course	3	Additional Critique and Practice in Design and the Arts Course	3
Concept 7: Critical Analysis of Identity and Equity in the United States – 0-3 credits	0-3	*Concept 7: Critical Analysis of Identity and Equity in the United States – 0-3 credits*	0-3
Additional Pathways General Education – 2 credits		**Additional Pathways General Education – 0 credits**	
Concept 4: Reasoning in the Natural Sciences			
Reasoning in the Natural Sciences Laboratory Courses (2 credits)	2		
Core Courses – 21 credits		**Core Courses – 21 credits**	
GEOG 1004: Introduction to Human Geography	3	GEOG 1004: Introduction to Human Geography	3
GEOG 1014: World Regions	3	GEOG 1014: World Regions	3
GEOG 1084/FREC 1004: Digital Planet	3	GEOG 1084/FREC 1004: Digital Planet	3
GEOG 1104: Introduction to Physical Geography	3	GEOG 1104: Introduction to Physical Geography	3
GEOG 2084: Principles of Geographic Information Systems	3	GEOG 2084: Principles of Geographic Information Systems	3
GEOG 2314: Maps and Mapping	3	GEOG 2314: Maps and Mapping	3
GEOG Field Experience *Select one of the following:* GEOG 3954: Study Abroad GEOG 4964: Field Study GEOG 4994: Undergraduate Research	3	GEOG Field Experience *Select one of the following:* GEOG 3954: Study Abroad GEOG 4964: Field Study GEOG 4994: Undergraduate Research	3
Major Required Courses – 3 credits		**Major Required Courses – 4 credits**	
		GEOG 1024: Survey of Geography	1
GEOG 3314: Cartography	3	GEOG 3314: Cartography*	0
		Option Required Courses – 16 credits	

		CS 1064: Introduction to Programming in Python	3
		GEOG/GEOS 4084: Modeling with Geographic Information Systems	3
		GEOG 4314: Spatial Analysis in Geographic Information Systems	3
		GEOG 4324: Algorithms in Geographic Information Systems	4
		GEOG/GEOS 4354: Introduction to Remote Sensing	3
Cognate Elective – 3 credits	3		
Restricted Electives – 18 credits	18	**Restricted Electives – 18 credits**	18
		Geospatial Electives	9-12
		Geography Electives	6-9
Free Electives – 28 credits	28	**Free Electives – 19-22 credits**	16
Total degree program: 120 credit hours		**Total degree program:** 120 credit hours	

*Double counted as part of the Pathways General Education requirements.

Curriculum

The B.A./B.S. in Geography degree program will require 120 credit hours. Experiential learning will be required.

The core coursework will provide students with a foundation in geography, including both human and physical aspects and technical skills of the field. Students will learn fundamental concepts such as space, place, regions, human communities, cultures, and economies and their interaction with the environment. Coursework will train students to use spatial perspective to understand and analyze global issues, environmental systems, and human activities across different regions. Students will learn how human societies are shaped by their geographic environments. Students will also be trained to develop proficiency in spatial analysis, geographic literacy, cartography, and use of geospatial technologies to interpret satellite imagery, and analyze, interpret and communicate complex geographic data effectively. Students will learn to apply geospatial methods to analyze and design solutions to contemporary problems facing Virginia and the world, such as mapping past climate variations for an area or analyzing the dispersion of air pollutants and identifying pollution sources.

All students enrolled in the B.S. degree designation will complete a semester of experiential learning through participation in a study abroad experience, field experience, or undergraduate research under the direct supervision of a faculty member. The experiential learning activity offers students practical experience to apply theoretical knowledge and gain a better understanding of geographic concepts and issues. This can be achieved through a research project or field study in a chosen topic area, selected with guidance from a faculty member, or through a practical project as part of a study abroad program. For example, students might use geographic information systems to analyze forest carbon storage, evaluate the impact of new developments on natural areas, or use remote sensing to assess natural disaster damage.

Program Requirements

New courses are denoted by an asterisk.

Pathways General Education Requirements: 42-45 credit hours

Concept 1: Discourse (9 credits)
- ENGL 1105: First-Year Writing (3 credits)
  - Or COMM 1015: Communication Skills (3 credits)
- ENGL 1106: First-Year Writing (3 credits)
  - Or COMM 1016: Communication Skills (3 credits)
- COMM 2004: Public Speaking (3 credits)
  - Or ENGL 3764: Technical Writing (3 credits)
  - Or ENGL 3844: Writing and Digital Media (3 credits)
  - Or HIST 2624: Topics in the History of Data in Social Context (3 credits)

Concept 2: Critical Thinking in the Humanities (6 credits)

Concept 3: Reasoning in the Social Sciences (6 credits)

Concept 4: Reasoning in the Natural Sciences (6 credits)

Concept 5: Quantitative and Computational Thinking (9 credits)
- MATH 1014: Precalculus with Transcendental Functions (3 credits) Students must take MATH 1014.
- STAT 2004: Introductory Statistics (3 credits)
  - Or STS 2604: Introduction to Data in Social Context (3 credits)
- STAT 3604: Statistics for Social Science (3 credits)
  - Or STAT 3615: Biological Statistics (3 credits)

Concept 6: Critique and Practice in Design and the Arts (6 credits)
- GEOG 3314: Cartography (3 credits) Students must take GEOG 3314.
- Additional Critique and Practice in Design and the Arts Course (3 credits)

Concept 7: Critical Analysis of Identity and Equity in the United States (0-3 credits) *(may be met by another core concept course)*

Core Courses: 21 credit hours

GEOG 1004: Introduction to Human Geography (3 credits)
GEOG 1014: World Regions (3 credits)
GEOG 1084/FREC 1004: Digital Planet (3 credits)
GEOG 1104: Introduction to Physical Geography (3 credits)
GEOG 2084: Principles of Geographic Information Systems (3 credits)
GEOG 2314: Maps and Mapping (3 credits)

Students select one of the following:
GEOG 3954: Study Abroad (3 credits)
GEOG 4964: Field Study (3 credits)
GEOG 4994: Undergraduate Research (3 credits)

Required Major Coursework: 1 credit hour

GEOG 1024: Survey of Geography (1 credit) *

Additional Required Major Course

One (1) major required course will be double-counted as part of the Pathways General Education requirements.

GEOG 3314: Cartography (3 credits)

Required Geographic Information Science and Technology Option Coursework: 16 credit hours

CS 1064: Introduction to Programming in Python (3 credits)
GEOG/GEOS 4084: Modeling with Geographic Information Systems (3 credits)
GEOG 4314: Spatial Analysis in Geographic Information Systems (3 credits)
GEOG 4324: Algorithms in Geographic Information Systems (4 credits)
GEOG/GEOS 4354: Introduction to Remote Sensing (3 credits)

Restricted Electives: 18 credit hours

Geospatial Electives
Students select 9-12 credits from the list of courses.

FREC 4214: Forest Photogrammetry and Spatial Data Processing (3 credits)
GEOG 4304: Geospatial Analysis of Mobility (3 credits)
GEOG 4334: Geospatial Information Technology for Land Change Modeling (3 credits)
GEOG 4254: R Programming for Geospatial Applications (3 credits)
GEOG 4374: Remote Sensing and Phenology (3 credits)
GEOG 4394: Introduction to Web Mapping (3 credits)
GEOG 4404: Geovisualization (3 credits)

Geography
Students select 6-9 credits from the list of courses.

GEOG 1524: Introduction to Earth's Climate (3 credits)
GEOG 2004: Water, Environment, and Society (3 credits)
GEOG 2014: Health and Place: Introduction to Health Geography (3 credits)
GEOG 2034: Geography of Global Conflict (3 credits)
GEOG 2054: Introduction to World Politics (3 credits)
GEOG/PSCI/IS 2064: The Global Economy and World Politics (3 credits)
GEOG 2074: COVID-19: Global Pandemic, Local Impacts (3 credits)
GEOG 2104: Introduction to Environmental Security (3 credits)
GEOG 2114: Introduction to Coastal Regions (3 credits)
GEOG 2134: Geography of the Global Economy (3 credits)
GEOG 2214: Geography of North America (3 credits)
GEOG 2224: Geography of Europe (3 credits)
GEOG 2244: Sustainable Urbanization (3 credits)
GEOG 2505: Weather Analysis I (3 credits)
GEOG 2784: Geography of Tea (3 credits)
GEOG 3034: The CIA: Its Capabilities in Today's Geo-Political World (3 credits)
GEOG 3104: Environmental Problems, Population, and Development (3 credits)
GEOG 3214: Africa Together (3 credits)

GEOG 3224: Geography of Appalachia (3 credits)
GEOG 3234: Geography of Virginia (3 credits)
GEOG 3244: The U.S. City (3 credits)
GEOG 3254: Geography of East Asia (3 credits)
GEOG 3274: Polar Environments (3 credits)
GEOG 3304: Geomorphology (3 credits)
GEOG 3404: Mountain Geography (3 credits)
GEOG/AHRM/APS/HD/HUM/SOC/UAP 3464: Appalachian Communities (3 credits)
GEOG 3504: Severe Weather (3 credits)
GEOG 4044: Biogeography (3 credits)
GEOG 4054: Geography of Wine (3 credits)
GEOG 4074: Medical Geography of Infectious Diseases (3 credits)
GEOG 4134: Interdisciplinary Issues and Ethics in Water Resources (3 credits)
GEOG 4204: Geography of Resources (3 credits)
GEOG 4214: Gender, Environment, and International Development (3 credits)
GEOG 4224: Tracking Environmental Change (3 credits)
GEOG 4284: Human Dimensions of Coastal Social-Ecological Systems (3 credits)
GEOG 4414: Climate Change and Societal Impacts (3 credits)
GEOG 4764: International Development Policy and Planning (3 credits)

Free Elective Courses: 19-22 credit hours

Total Credit Hours: 120 credit hours

See Appendix A for sample plan of study.
See Appendix B for course descriptions.

Faculty Resources

Faculty in the Department of Geography will teach core and required courses in the proposed B.S. degree designation. Twelve (12) faculty will teach core and required courses. All faculty members possess a doctorate degree in geography or a physical science. The faculty have been teaching for a minimum of five years in higher education. The faculty are published and conducting research in geography or a physical science.

No adjunct faculty will be needed to initiate and sustain the proposed B.S. degree designation.

Student Learning Assessment

Student learning for the proposed B.S. degree designation will be assessed throughout the program through a variety of assessment measures, formative and summative. Some of these measures will include, but are not limited to, assignments, examinations and individual and team-based projects assigned during classroom instruction.

All students will be required to complete at least one semester of experiential learning in a study abroad, field study, or undergraduate research course. The Department of Geography has developed a rubric that the faculty will use to assess students' abilities to apply geographical knowledge and skills while conducting research, field study, or study abroad projects through deliverables including reports, reflections, and oral presentations. At the end of each semester, the faculty members will use the rubric to score students on their abilities.

Student Learning Outcomes
All students will be able to:

- Interpret the arrangement of major physical and human geographic features on a world map or regional maps.
- Describe the Earth's human and physical characteristics and processes and human-environment interactions.
- Identify the various geospatial tools used in geographical analysis including Geographic Information Systems (GIS), remote sensing, GPS, geovisualization, spatial data coding, and spatial analysis.
- Evaluate the concept of "region" and its importance in understanding world affairs.
- Demonstrate the appropriate use of map projections.
- Name and discuss the techniques, terms and applications of GIS in an informed way.
- Operate contemporary geospatial software in an effective manner.
- Compare and contrast alternative data models used for spatial data representation.
- Apply specialized geographic knowledge in a real-world context.

Students will acquire additional competencies in the Geographic Information Science and Technology Option. Geography Information Science and Technology Option students will be able to:

- Evaluate the relative merits and drawbacks of different secondary geospatial datasets that are commonly used in the geospatial industry.
- Apply and interpret relevant spatial analysis methods and results (e.g., auto correlation/hot spot analysis, spatial regression, areal interpolation, point in polygon/buffer analysis, spatial statistical analysis) to answer a variety of spatial problems.
- Design and manage a geospatial project using an understanding of appropriate techniques and technologies.
- Create and use spatial models to support solutions to real world problems.
- Demonstrate knowledge of sensors and image acquisition methods, basics of the electromagnetic spectrum, characteristics of remote sensing imagery and the ability to apply this knowledge through an application.
- Apply mathematical concepts, including statistical methods, to data to be used in geospatial analysis.
- Express and apply coding skills using a current computing language platform.
- Demonstrate the ability to collect, assemble and evaluate primary and secondary data.
- Analyze spatial data to support meaningful conclusions to geographic questions.

Curriculum map for B.S. degree designation in Geography

Learning Outcomes	**Core and Required Courses**	**Assessment Measures**

Interpret the arrangement of major physical and human geographic features on a world map or regional maps.	GEOG 1014: World Regions GEOG 1104: Introduction Physical Geography	Formative: Class assignments (for example, diagram the atmospheric pressure zones association with the South Asian monsoon) Summative: Course exams (for example, exam question to discuss the spatial organization of population density patterns in China)
Describe the Earth's human and physical characteristics and processes and human-environment interactions.	GEOG 1004: Introduction to Human Geography GEOG 1104: Introduction to Physical Geography	Formative: Class assignments (for example, describe characteristics of climate types in the Köppen classification system) Summative: Course exams (for example, exam question to diagram and describe the Urban Heat Island effect)
Identify the various geospatial tools used in geographical analysis including GIS, remote sensing, GPS, geovisualization, spatial data coding, and spatial analysis.	GEOG 1084/FREC 1004: Digital Planet	Formative: Class assignments (for example, identify examples found on the web that use Google Map Application Program Interface (API) to display spatial data patterns) Summative: Course exams (for example, exam question listing three geospatial software/tools that are commonly used to visualize spatial data)
Evaluate the concept of "region" and its importance in understanding world affairs.	GEOG 1004: Introduction to Human Geography GEOG 1014: World Regions	Formative: Class assignments (for example, in class assignment to define and provide an example of a vernacular region from a non-US country)

		<u>Summative:</u> Course exams (for example, exam question to compare and contrast the explanatory utility of the concentric zone versus multiple nuclei models of US metropolitan urban structure)
Interpret current events in terms of the geographical and historical context.	GEOG 1004: Introduction to Human Geography GEOG 1014: World Regions	<u>Formative:</u> Class assignments (for example, in class discussion to define and provide an example of a stateless nation) <u>Summative:</u> Course exams (for example, exam question related to explaining how historical and socio-economic characteristics contribute to Black migration patterns in the 20th century)
Demonstrate the appropriate use of map projections.	GEOG 2084: Principles of Geographic Information Systems GEOG 2314: Maps and Mapping	<u>Formative:</u> Class assignments (for example, homework assignment identifying the type of map projection employed from information on a map) <u>Summative:</u> Lab assignments (for example, assignment to convert data from latitude/longitude to a Cartesian coordinate system designed to preserve the property of equal area measurement)
Name and discuss the techniques, terms and applications of GIS in an informed way.	GEOG 2084: Principles of Geographic Information Systems	<u>Formative:</u> Class assignments (for example, identify the different types of vector overlay methods for points, lines, and polygons and the

		types of output that are yielded) <u>Summative:</u> Course exams (for example, exam question to discuss how a raster combine function applied to a time series of gridded land cover data can be used to identify and map patterns of land cover change)
Operate contemporary geospatial software in an effective manner.	GEOG 2084: Principles of Geographic Information Systems	<u>Formative:</u> Class assignments (for example, use ArcGIS Pro software to create a vector data layer stored in a file geodatabase) <u>Summative:</u> Lab exams (for example, demonstrate use of ArcGIS Pro software to perform spatial data queries using Boolean logic to answer a site suitability question)
Compare and contrast alternative data models used for spatial data representation.	GEOG 2084: Principle of Geographic Information Systems	<u>Formative:</u> Class assignments (for example, homework assignment to define the differing characteristics of vector vs raster spatial data) <u>Summative:</u> Course exams (for example, question to discuss the issues involved in representing human population data using discrete features versus continuous fields)
Apply specialized geographic knowledge in a real-world context.	GEOG 3954: Study Abroad GEOG 4964: Field Study GEOG 4994: Undergraduate Research	<u>Formative:</u> Project assignments (for example, creating digital spatial features of traffic accident locations)

		Summative: Final report (for example, document and summarizing an analysis of traffic accident patterns)

Employment Skills

Graduates of the proposed B.S. in Geography degree designation will be able to:

- Analyze the distribution of physical geographic features (e.g., land, sea, and air masses), natural resources, and ecosystems across different regions.
- Assess the impact of human population patterns, cultural practices, and economic activities on natural environments.
- Compile and integrate geographic data from various sources, including field observations, satellite imagery, and existing databases.
- Create and modify maps using GIS software and cartographic principles.
- Evaluate data using geospatial technologies (e.g., remote sensing).
- Develop reports and presentations to communicate complex geographical information to diverse audiences.
- Create ethical guidelines for the use of geospatial technologies and data.

Justification for the Proposed Program

Rationale for the Program

The proposed addition of the B.S. degree designation is needed for three reasons: 1) evolution of the geography field and discipline, 2) address student needs and career goals, and 3) alignment with peer institutions.

Evolution of the Geography Field and Discipline

Geography is an interdisciplinary field that bridges the natural and social sciences, encompassing everything from physical landforms and climate patterns to human cultures and political systems. Virginia Tech's Bachelor of Arts (B.A.) degree program in Geography was established in 1975. Since the 1970s, the field of geography has evolved. With the advancements in technologies including digital mapping and visualization, spatial analysis, and big data, and the integration of other disciplines (e.g., computer science), more technical focus areas have emerged (e.g., geographic information systems (GIS) and remote sensing) that align more closely with a B.S. degree designation than the B.A. degree designation. Today, both B.A. and B.S. degree designations are needed at Virginia Tech to accommodate the diverse nature of the field.

The current B.A. degree designation allows for a broad exploration of topics in geography including human geography, cultural studies, urban planning, or policy-related work. The proposed B.S. in Geography degree designation will target the technical aspects of the geography field including geographical information science and remote sensing.

Address Student Needs and Career Goals

The proposed B.S. in Geography degree designation will make graduates more competitive for job placement. The proposed B.S. Geography designation will provide evidence of a scientific specialization that enhances employment marketability that is absent from the current B.A. in Geography. Multiple students have reported being unsuccessful on employment applications due to the absence of a B.S. designation and associated specialization. Alumni have reported a strong need for the B.S. designation to produce students that are more competitive. During informal conversations with graduating seniors and recent graduates, students reported that employer feedback when they applied for positions such as geographic information systems specialists, geospatial analysts and remote sensing specialists was that the organizations were looking for students with a B.S in Geography, rather than a B.A. in Geography.

The B.S. degree designation would serve students interested in areas of geography such as Geographic Information Systems (GIS) and remote sensing, preparing them for careers in technical and data-driven fields. The proposed B.S. degree designation in Geography would allow Virginia Tech to offer the curricular requirements for the focus area of Geographic Information Science and Technology

Peer Institutions

In Spring 2024, the geography faculty examined baccalaureate degree programs in the field of geography offered by Virginia Tech's State Council of Higher Education for Virginia (SCHEV) peer institutions. Of the 25 SCHEV peer institutions, 16 institutions offer a baccalaureate degree program in the field of geography. Seven (7) institutions offer a Bachelor of Arts (B.A.) in Geography degree program. Six (6) institutions offer both degree designations, the Bachelor of Arts (B.A.) and the Bachelor of Science (B.S.) degree programs in Geography. One (1) institution offers a Bachelor of Science (B.S.) in Geography, one (1) institution offers a Bachelor of Science (B.S.) in Geological Sciences, and one (1) institution offers a Bachelor of Arts in Liberal Arts and Sciences/Bachelor of Science in Liberal Arts and Sciences (B.A.L.A.S./B.S.L.A.S.) in Geography and Geographic Information Science.

In addition, the geography faculty examined the curriculum of the degree programs at the SCHEV peer institutions. Based on the research, faculty determined that the core and required curriculum for the Bachelor of Science (B.S.) degree designation is typically similar to the B.A. designation at institutions where both the B.S. and the B.A. degree designations are offered. Further, most Geography degree programs include subareas (e.g., majors, concentrations, tracks, interest areas) that are aligned with the degree designation and the curricular requirements are different based on the subarea. For example, the B.A. in Geography degree designation most often emphasizes the social and behavioral aspects of field of geography while the B.S. degree designation focuses on the discipline's environmental and technical perspectives. Students enrolled in the B.S. degree designation in Geography and the geographic information systems subarea are required to take coursework in geographic information systems and spatial analysis, and coursework in computer programming, data analysis, or statistics. Whereas students enrolled in the B.A. degree designation in Geography and the social and environmental geography subarea would be required to take coursework in economic and social geography and cities and their global spaces.

The addition of the Bachelor of Science (B.S.) degree designation in Geography to the existing Bachelor of Arts (B.A.) degree program in Geography would allow Virginia Tech to align with the six (6) institutions that offer both degree designations in the field of geography.

See Appendix C for a list of degree programs at peer institutions.

Student Demand

Student enrollment in the proposed B.S. degree designation is not expected to increase enrollment in the existing B.A. in Geography degree program. It is expected that total student enrollment will remain about the same as the current total student enrollment in the existing degree program. Faculty teaching in the existing degree program will remain the same for the proposed addition of the B.S. degree designation. It is expected that student enrollment in the proposed B.A./B.S. degree program in Geography will remain at a level appropriate to faculty resources.

No student demand evidence was obtained to add the proposed B.S. degree designation. However, student demand for a B.S. degree designation in Geography is evident from the robust enrollment of the existing Geographic Information Science (GIS) minor. Enrollment in the GIS minor was ranked 14th out of 175 Virginia Tech minors 2019-2023. Enrollments by year are: 78 (2019), 96 (2020), 118 (2021), 103 (2022), and 112 (2023), and 153 (2024). During the five-year period from 2019 to 2023, 129 of the total enrolled 507 minors came from the B.A. in Geography degree program. We project that students who would enroll in the GIS minor in the absence of a B.S. in Geography will opt to enroll in the B.S. in Geography degree designation with its required coursework in GIS.

State Council of Higher Education for Virginia
Summary of Projected Enrollments in Proposed Program

Year 1		Year 2		Year 3		Year 4 **Target Year (2-year institutions)**			Year 5 **Target Year (4-year institutions)**		
2025 - 2026		2026 - 2027		2027 - 2028		2028 - 2029			2029 - 2030		
HDCT	FTES	HDCT	FTES	HDCT	FTES	HDCT	FTES	GRAD	HDCT	FTES	GRAD
100	100	100	100	100	100	100	100	_____	100	100	35

Assumptions:
Retention percentage: 90%
Full-time students 100%
Full-time students credit hours per semester: 15-16
Full-time students graduate in 4 years

Projected Resource Needs for the Proposed Program

Resource Needs

Virginia Tech and the Department of Geography have the resources needed to initiate and sustain the proposed B.S. degree designation in Geography. The addition of a B.S. degree designation will not require any additional resources. Virginia Tech anticipates no need to increase the number of full-time, part-time, or adjunct faculty to accommodate the new B.S. degree designation in Geography. The proposed program allocates 1.0 FTE of instructional effort for every 24.0 FTE of enrollment in lower division courses and 1.0 FTE of instructional effort for 18.0 FTE of enrollment in upper division courses. The proposed program will therefore require a total of 4.76 FTE of instructional effort in 2025-2026, which will remain constant through the target year 2029-2030.

It expected that student enrollment in the proposed B.S. degree designation will not increase to a level that cannot be sustained by existing faculty resources. It is expected that student enrollment will remain about the same as student enrollment in the existing B.A. in Geography degree program. It is expected that student enrollment in the B.A./B.S. degree program will remain at a level appropriate to faculty resources.

Full-time Faculty
Faculty in the Department of Geography will teach core and required courses in the proposed added degree designation. One (1) faculty member will dedicate 100% (1 FTE) of their teaching time to the proposed added degree designation. Five (5) faculty members will dedicate 50% (0.50 FTE) each, for a total of 2.5 FTE of their teaching time to the proposed added degree

designation. The program will require 3.5 FTE of faculty instruction to initiate, and this level of effort is expected to remain constant through the target year of 2029-2030.

Part-time Faculty
Six (6) faculty in the Department of Geography will dedicate 25% (0.25 FTE) each, for a total of 1.5 FTE of their teaching time to the proposed added degree designation. The program will require 1.5 FTE of faculty instruction to initiate, and this level of effort is expected to remain constant through the target year of 2029-2030.

Adjunct Faculty
No adjunct faculty will be required to initiate or sustain the proposed added degree designation.

Graduate Assistants
No new graduate assistantships will be needed to initiate and sustain the proposed added degree designation.

Classified Positions
No new classified positions will be needed to initiate and sustain the proposed added degree designation.

Equipment (including computers)
No new equipment, including computers, is needed to initiate and sustain the proposed added degree designation. The equipment available, including computers, is sufficient for the proposed added degree designation.

Library
No new resources are needed to initiate or sustain the proposed added degree designation. The library resources, such as books, journals, and online access are sufficient to support coursework in the proposed added degree designation.

Telecommunications
No new or additional resources are required to initiate or sustain the proposed added degree designation.

Space
No additional space is needed to initiate or sustain the proposed added degree designation.

Targeted Financial Aid
No targeted financial aid will be offered to initiate and sustain the proposed added degree designation.

Special Tuition or fee charges
No special tuition or fee charges will be utilized or instituted to initiate or sustain the proposed degree designation.

Other Resources (specify)

No additional resources are needed to initiate or sustain the proposed added degree designation. No resources are needed for advertising and promotion of the proposed added degree designation.

Funds to Initiate and Operate the Degree Program
Figures provided in the table below will be compared to SCHEV funding estimates using the current base adequacy model. This comparison will serve as a reference for the estimated costs. If there are large discrepancies, SCHEV may request additional clarification to ensure the institution's assumptions are correct, or require modifications as a condition of approval.

Note: Institutions must use the recommended student-faculty ratio when estimating FTES enrollments and required faculty FTEs.

Cost and Funding Sources to Initiate and Operate the Program			
Informational Category		**Program Initiation Year**	**Program Target Year**
		20 25 - 20 26	**20 29 - 20 30**
1.	Projected Enrollment (Headcount)	100	100
2.	Projected Enrollment (FTES)	100	100
3.	Projected Enrollment Headcount of In-State Students	85	85
4.	Projected Enrollment Headcount of Out-of-State Students	15	15
5.	Estimated Annual Tuition and E&G Fees for In-State Students in the Proposed Program	$13,266	$13,266
6.	**Revenue** from Tuition and E&G Fees for In-State Students Due to the Proposed Program	$1,127,610	$1,127,610
7.	Estimated Annual Tuition and E&G Fees for Out-of-State Students in the Proposed Program	$35,093	$35,093
8.	**Revenue** from Tuition and E&G Fees for Out-of-State Students Due to the Proposed Program	$526,395	$526,395
9.	**Projected Revenue Total from Tuition and E&G Fees Due to the Proposed Program**	**$1,654,005**	**$1,654,005**
10.	Other Funding Sources Dedicated to the Proposed Program (e.g., grant, business, private sources, university funds)	$0	$0
11.	**Total Funding**	**$1,654,005**	**$1,654,005**

iv) Certification Statements

1. A request of any kind has been or will be submitted to the Virginia General Assembly for funds to initiate and/or maintain the technical change for the academic program.

   Yes ☐

   No ☒

   If "Yes" is checked, include narrative text to describe: when the request will be made, how much will be requested, what the funds will be used for, and what will be done if the request is not fulfilled. Additional information may be required.

2. If governing board approval is required, the governing board has been provided information regarding: credit hour change (if applicable), curriculum changes (if applicable), and duplication (if applicable) as part of its approval action.

   Yes ☒

   No ☐

   If "No" is checked, include narrative text to explain why the governing board has not been provided the information.

The institution's Chief Academic Officer attests to the accuracy of the above statements.

Cyril R. Clarke
Name (Printed)

March XX, 2025
Signature Date

Appendices

Appendix A: Sample Plan of Study

Full-Time Student

Freshman Fall	**Credits**	**Freshman Spring**	**Credits**
GEOG 1004: Introduction to Human Geography	3	GEOG 1014: World Regions	3
GEOG 1104: Introduction to Physical Geography	3	GEOG 1084/FREC 1004: Digital Planet	3
General Education Course: Discourse	3	General Education Course: Discourse	3
General Education Course: Reasoning in the Social Sciences	3	General Education Course: Critical Thinking in the Humanities	3
MATH 1014: Precalculus with Transcendental Functions	3	General Education Course: Quantitative and Computational Thinking	3
GEOG 1027: Survey of Geography	1		
Total	**16**	**Total**	**15**
Sophomore Fall	**Credits**	**Sophomore Spring**	**Credits**
GEOG 2084: Principles of Geographic Information Systems	3	CS 1064: Introduction to Programming in Python	3
GEOG 2314: Maps and Mapping	3	General Education Course: Critical Thinking in the Humanities	3
GEOG/GEOS 4354: Introduction to Remote Sensing	3	General Education Course: Reasoning in the Natural Sciences	3
General Education Course: Reasoning in the Natural Sciences	3	General Education Course: Critical Analysis of Identity and Equity in the United States	3
General Education Course: Reasoning in the Social Sciences	3	Restricted Elective	3
Total	**15**	**Total**	**15**
Junior Fall	**Credits**	**Junior Spring**	**Credits**
GEOG 3314: Cartography	3	General Education Course: Critique and Practice in Design and the Arts	3
General Education Course: Quantitative and Computational Thinking	3	GEOG 4314: Spatial Analysis in Geographic Information Systems	3
GEOG/GEOS 4084: Modeling with Geographic Information Systems	3	Restricted Elective	3
Restricted Elective	3	Restricted Elective	3
Restricted Elective	3	Free Elective	3
Total	**15**	**Total**	**15**

Senior Fall	Credits	Senior Spring	Credits
GEOG 4994: Undergraduate Research	3	Free Elective	3
General Education Course: Discourse	3	Free Elective	3
GEOG 4324: Algorithms in Geographic Information Science	4	Free Elective	3
Restricted Elective	3	Free Elective	3
Free Elective	3	Free Elective	1
Total	**16**	**Total**	**13**

Full-Time Students

Credit Hours – Freshman – Fall Term	16
Credit Hours – Freshman – Spring Term	15
Credit Hours – Sophomore – Fall Term	15
Credit Hours – Sophomore – Spring Term	15
Credit Hours – Junior – Fall Term	15
Credit Hours – Junior – Spring Term	15
Credit Hours – Senior – Fall Term	16
Credit Hours – Senior – Spring Term	13
Total Credit Hours	**120**

Appendix B: Course Descriptions

General Education Pathway Required Courses
GEOG 3314: Cartography (3 credits)
Science and art of cartography including the conceptual framework of the cartographic method. Development of the skills necessary to create maps to be used in the analysis of spatial phenomena. Emphasis on thematic and ethical cartography.

MATH 1014: Precalculus with Transcendental Functions (3 credits)
Precalculus college algebra, basic functions (algebraic, exponential, logarithmic, and trigonometric), conic sections, graphing techniques, basic probability. Usage of mathematical models, analytical calculations, and graphical or numerical representations of data to analyze problems from multiple disciplines that address intercultural and global challenges in areas such as chemistry, environmental science, the life sciences, finance, and statistics. Use of spreadsheet software. Two units of high school algebra and one of plane geometry are required.

Core Courses
GEOG/FREC 1004: Introduction to Human Geography (3 credits)
Introduction to geography as a social science. Development of a conceptual framework for studying and evaluating human-environment relationships. Through examination of selected regional and global issues and through exploring basic concepts like regions, place, location, human-environment interaction, movement, and accessibility, students will discover how power is spatially expressed and explore how culture shapes the production of space and vice versa. Students will also discover and describe how ethical issues manifest spatially.

GEOG 1014: World Regions (3 credits)
Human and physical patterns and characteristics of major regions of the world including political systems, religions, economies, and physical settings. Concepts and perspectives of geography as a social science; linkages and interdependence of nations and regions; analysis of media coverage of events or global issues; engagement with current and historical global affairs.

GEOG 1084/FREC 1004: Digital Planet (3 credits)
Exploration of innovative geospatial technologies and their impact on the world around us, including how humans interact with the environment and each other. Roles of location-based services, global positioning systems, geographic information systems, remote sensing, virtual globes and web-based mapping for environmental applications. Skills and techniques for spatial thinking and environmental decision-making. Ethical implications of the use of geospatial technologies, data, and computational approaches.

GEOG 1104: Introduction to Physical Geography (3 credits)
Integrated study of major subsystems of the natural environment: the nature, distribution, and interrelationships of landforms, climate and vegetation.

GEOG 2084: Principles of Geographic Information Systems (3 credits)
Principles and diverse applications of Geographic Information Systems, geographic coordinate systems, Cartesian map projections, spatial data sources, GIS databases, map representations,

and illustrated spatial applications of GIS. Requires regular use of computer systems for geographic data analysis.

GEOG 2314: Maps and Mapping (3 credits)
Introduction to maps. Fundamentals of reading, analysis, and interpretation of hard copy and digital maps, as they are required to illuminate spatial problems. Influences of maps on attitudes toward and images of the geographic environment.

GEOG 3954: Study Abroad (1-19 credits)
No course description listed in catalog.

GEOG 4964: Field Study (1-19 credits)
No course description listed in catalog.

GEOG 4994: Undergraduate Research (1-19 credits)
No course description listed in catalog.

Major Coursework: 4 credit hours
GEOG 1024: Survey of Geography (1 credit)
Foundations of geography and subdisciplines. Career pathways for geography-interested students in various workforce sectors and sub-disciplinary specialization areas, including physical geography, GIScience, and human geography. Introduction to campus academic and geography-related career resources to enhance the undergraduate experience. Professional goal reflection and development.

GEOG 3314: Cartography (3 credits)
Science and art of cartography including the conceptual framework of the cartographic method. Development of the skills necessary to create maps to be used in the analysis of spatial phenomena. Emphasis on thematic and ethical cartography.

Geographic Information Science and Technology Option Coursework: 16 credit hours
CS 1064: Introduction to Programming in Python (3 credits)
Introduction to programming in Python contextualized with scientific and engineering problems. Computational problem-solving skills and software solutions in addition to Python language fundamentals. The basics of control flow with loops and conditionals, state tracing and manipulation, simple and complex types, organization of code using functional and object-oriented coding strategies, and data processing. Create, interpret, and debug programs. Ethically debate important issues in computing culture.

GEOG/GEOS 4084: Modeling with Geographic Information Systems (3 credits)
Use of automated systems for geographic data collection, digitization, storage, display, modeling and analysis. Basic data flow in GIS modeling applications. Development of proficiency in the use of current GIS software. Senior Standing.

GEOG 4314: Spatial Analysis in Geographic Information Systems (3 credits)
Theory and application of Geographic Information Systems, with special emphasis on analytical operations, database design, cartographic modeling, and raster GIS. Spatial data handling and analysis to facilitate decision-making through the communication of geographically referenced data.

GEOG 4324: Algorithms in Geographic Information Systems (4 credits)
Computational methods in automated mapping and map analysis. Visual Basic programming and algorithm design for spatial display and analysis under both raster and vector data models. Requires regular use of the departmental microcomputer and UNIX workstation laboratory. Prerequisite(s): GEOG 4084 and CS 1064

GEOG/GEOS 4354: Introduction to Remote Sensing (3 credits)
Theory and methods of remote sensing. Practical exercises in interpretation of aerial photography, satellite, radar, and thermal infrared imagery. Digital analysis, image classification, and evaluation. Applications in earth sciences, hydrology, plant sciences, and land use studies.

Appendix C: Degree Programs at Peer Institutions

	Institution	Degree
1	Cornell University	
2	Iowa State University	
3	Michigan State University	B.A./B.S. in Geography
4	North Carolina State University at Raleigh	
5	Ohio State University – Main Campus	B.A./B.S. in Geography
6	Pennsylvania State University – Main Campus	B.A./B.S. in Geography
7	Purdue University – Main Campus	
8	Rutgers University-New Brunswick/Piscataway	B.A. in Geography
9	Stony Brook University	
10	SUNY at Buffalo	B.A. in Geography
11	Texas A & M University	B.S. in Geography
12	The University of Texas at Austin	B.A. in Geography
13	University of California, Berkeley	B.A. in Geography
14	University of California, Davis	
15	University of Colorado, Boulder	B.A. in Geography
16	University of Florida	B.A./B.S. in Geography
17	University of Illinois at Urbana-Champaign	B.A.L.A.S./B.S.L.A.S.* in Geography & Geographic Information Science
18	University of Maryland, College Park	B.S. in Geographical Sciences
19	University of Michigan, Ann Arbor	
20	University of Minnesota – Twin Cities	B.A./B.S. in Geography
21	University of Missouri – Columbia	B.A. in Geography
22	University of Pittsburgh	
23	University of Southern California	
24	University of Washington-Seattle Campus	B.A. in Geography
25	University of Wisconsin-Madison	B.A./B.S. in Geography

*B.A.L.A.S./B.S.L.A.S.: Bachelor of Arts in Liberal Arts and Sciences/Bachelor of Science in Liberal Arts and Sciences

RESOLUTION OF VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY REGARDING THE PRESIDENTIAL EXECUTIVE ORDER ON DIVERSITY, EQUITY, AND INCLUSION

WHEREAS, Virginia Polytechnic Institute and State University highly values diversity, including diversity of thought and experience, and fosters an inclusive environment, encouraging a culture of opportunity for all, which immensely enriches our campus, and is committed to providing every student an education that is free from discrimination and grounded in merit; and

WHEREAS, Virginia Polytechnic Institute and State University's mission statement includes a commitment to "improving the quality of life and the human condition within the Commonwealth of Virginia and throughout the world"; and

WHEREAS, on January 21, 2025, President Donald J. Trump signed the Executive Order titled "Ending Illegal Discrimination and Restoring Merit-Based Opportunity"; and

WHEREAS, the U.S. Department of Education (USED) issued a Dear Colleague Letter on February 14, 2025, to clarify and affirm the nondiscrimination obligations of institutions receiving federal funds by explaining and reiterating existing legal requirements under Title VI of the Civil Rights Act of 1964, the Equal Protection Clause of the U.S. Constitution, and other federal civil rights laws; and

WHEREAS, the USED released Frequently Asked Questions on March 1, 2025, to anticipate and answer questions that might be raised by the Dear Colleague Letter and to facilitate compliance with Title VI of the Civil Rights Act of 1964, the Equal Protection Clause of the U.S. Constitution, and Students for Fair Admissions v. Harvard; and

WHEREAS, the state law obligations of Commonwealth of Virginia agencies do not require a standalone office of Diversity, Equity, and Inclusion (DEI) or dedicated DEI officers, nor do they require an infrastructure, strategic plan, or any elements that do not comply with Title VI of the Civil Rights Act of 1964, the Equal Protection Clause of the U.S. Constitution, and other federal civil rights laws; and

WHEREAS, both the Virginia Polytechnic Institute and State University Board of Visitors and its administration are committed to complying with the law, including the Equal Protection Clause of the U.S. Constitution, Title VI of the Civil Rights Act of 1964, and other federal civil rights laws, informed by guidance provided in the January 21, 2025, Executive Order, the Dear Colleague Letter, and the March 1, 2025, Frequently Asked Questions;

NOW, THEREFORE, BE IT RESOLVED that the university will take the following actions as informed by the guidance in the February 14, 2025, Dear Colleague Letter as well as the March 1, 2025, Frequently Asked Questions document:

1. Ensure that all university programs, policies, practices, and actions in every regard comply with the Equal Protection Clause of the U.S. Constitution, Title VI of the Civil Rights Act of 1964, and other federal civil rights laws. This includes, but is not

limited to: admissions, hiring, promotion, compensation, financial aid, scholarships, prizes, administrative support, discipline, housing, graduation ceremonies, and all other aspects of student, academic, and campus life;

2. Ensure there are no efforts to circumvent prohibitions on the use of race by relying on proxies or other indirect means to accomplish such end; and

3. Ensure there are no third-party contractors, clearinghouses, or aggregators that are being used by institutions in an effort to circumvent prohibited uses of race; and

BE IT FURTHER RESOLVED that the university's Office for Inclusive Strategy and Excellence is hereby dissolved; and

BE IT FURTHER RESOLVED that the university shall immediately transfer permissible programs to a new organizational home; and

BE IT FURTHER RESOLVED that the university shall continue to review ongoing guidance from USED and the U.S. Attorney General and make appropriate changes to comply fully with the Equal Protection Clause of the U.S. Constitution, Title VI of the Civil Rights Act of 1964, and other federal civil rights laws; and

LASTLY, BE IT RESOLVED that the president of the university shall update the Board of Visitors on compliance with this resolution within 30 days of the date of this resolution.

RECOMMENDATION:

That the resolution regarding the Presidential Executive Order on Diversity, Equity, and Inclusion be approved.

March 25, 2025

Open Session Agenda

BUILDINGS AND GROUNDS COMMITTEE

Tuesday, March 25, 2025

Open session meeting begins at 11:00 a.m. in Latham A/B.

	Agenda Item	Reporting Responsibility
1.	Welcome and Introductions	Tish Long
2.	Consent Agenda	Tish Long
	a. Minutes from the November 2024 Committee Meeting	Dwyn Taylor
*	b. Resolution on the Demolition of University Building 0800	
	c. Acceptance of the Capital Project Status Report	
3.	Design Review – New Business Building	Travis Jessee
4.	Future Agenda Items and Closing Remarks	Tish Long

*** Requires Full Board Approval**
 # Discusses Enterprise Risk Management Topic(s)
+ Discusses Strategic Investment Priorities Topic(s)

Open Session Briefing Report

BUILDINGS AND GROUNDS COMMITTEE

Tuesday, March 25, 2025

Open session meeting begins at 11:00 a.m. in Latham A/B.

1. **Welcome and Introductions:** The Committee Chair will open with welcoming remarks and introductions.

2. **Consent Agenda:** The Committee will consider for approval and acceptance the items listed on the Consent Agenda.

   a. **Minutes from the November 2024 Committee Meeting:** The Committee will review for approval the minutes from the November 2024 Committee Meeting.

* b. **Resolution on the Demolition of University Building 0800:** The Committee will review for approval a resolution on the demolition of university building 0800 (Frame 1-Family Main Dwelling). This facility is a wood framed 3,495 gross square foot dwelling, two-stories above grade on a stone foundation basement. It is located at the Middleburg Agricultural Research and Extension Center, 5414 Sullivans Mill Road, Middleburg. Originally constructed in 1940, with two odd-shaped later additions and a deck, the building was used for residential farm worker housing, is currently unoccupied, is in poor condition, and is uneconomical to repair. The site would be repurposed for bulk storage of farm materials. The facility is located within the Little River Rural Historic District and was identified in 2010, as a contributing asset to the district, constructed prior to the transfer of ownership of the Edgewood and Greenhill estates from Paul Mellon to Virginia Tech in 1948 for the establishment of the outreach experiment station. The university will obtain review from the Department of Historic Resources and the Art and Architecture Review Board, and any required approvals prior to the demolition of this structure.

   c. **Acceptance of the Capital Project Status Report:** The Committee will review for acceptance the quarterly capital project status report. The current active portfolio of projects includes 19 authorized projects – active and complete (within a 1-year warranty phase) – with a total value of approximately $1 billion, adds approximately 1.2 million gross square feet of new construction, and renovates nearly 298,000 gross square feet of existing space.

*** Requires Full Board Approval**
 # Discusses Enterprise Risk Management Topic(s)
+ Discusses Strategic Investment Priorities Topic(s)

3. **Design Review – New Business Building:** The Committee will review for approval the design review for the New Business Building. The Pamplin College of Business is nationally recognized for its business programs and is integral to Virginia Tech's delivery of instruction and research programming in support of the commonwealth. The New Business Building project will provide a consolidated location for the college, allowing the college to amplify program impact, as well as couple with the Data and Decision Sciences building to complete the academic facilities of the Global Business and Analytics Complex (GBAC). Once complete, GBAC will be a transformative academic and physical addition to the North Academic District. The prominent site, on the corner of Prices Fork Road and West Campus Drive, presents the university a valuable opportunity to create a new campus gateway at this previously undeveloped primary intersection. Substantial completion is anticipated for summer 2027. The project planning authorization, approved at the April 4, 2022 Board of Visitors meeting, includes $8 million of private gifts. The total project cost will be supported by a combination of private gifts, non-general fund cash, and university non-general fund debt. The design preview was approved by the Buildings and Grounds Committee at the June 2024 meeting.

4. **Future Agenda Items and Closing Remarks:** The Committee Chair will discuss future agenda items and make closing remarks.

Open Joint Session Agenda

FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND BUILDINGS AND GROUNDS COMMITTEE

9:30 a.m.
Latham Ballroom A/B, The Inn at Virginia Tech

March 25, 2025

		Agenda Item	Reporting Responsibility
*#+	1.	Approval of the General Fund Capital Outlay Plan for 2026-2032	Simon Allen Dwyn Taylor Rob Mann
*	2.	Approval of Resolution to Construct the New Business Building	Simon Allen Dwyn Taylor Rob Mann
	3.	On-Campus Housing Update	Cyril Clarke Amy Sebring
*	4.	Approval of Resolution on the Student Life Village and Slusher Hall	Dave Calhoun Tish Long
	5.	Motion for Joint Closed Session	Nancy Dye
	6.	Motion to Reconvene in Joint Open Session	Anna James

* **Requires full Board approval**
\# **Discusses Enterprise Risk Management topic(s)**
\+ **Discusses Strategic Investment Priorities topic(s)**

Briefing Report

**JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND BUILDINGS AND GROUNDS COMMITTEE**

March 25, 2025

Joint Open Session

*#+ **1. Approval of the General Fund Capital Outlay Plan for 2026-2032:** The Committees will review for approval the 2026-2032 Capital Outlay Plan. The university prepares an updated Six-Year Capital Outlay Plan every two years as part of its normal planning and budgeting cycle. The Plan is a critical component of positioning the university for state support of major Educational and General projects and for advancing high priority projects that may be funded entirely with nongeneral fund resources. Traditionally, the state requires each institution to submit a capital plan in June of the year before a new biennium begins. The next state capital outlay plan will be for 2026-2032, and it will be established in the 2025-26 budget development process. Based on that timetable, a plan from the university for 2026-2032 will be due to the state in June of 2025.

Preliminary work has been done to identify potential projects for inclusion in the 2026-2032 Capital Outlay Plan in anticipation of future guidance and instructions from the state. These projects are consistent with programmatic needs established for the planning period and with the strategic plan of the university, and they position the university with options to respond to guidance from the state.

Since the submission date for the new Plan may occur before the June 2025 Board of Visitors meeting, the university is requesting the review and approval of the list of potential projects for inclusion in the 2026-2032 Capital Outlay Plan for General Fund projects. The university will provide an update to the status of the 2026-2032 Plan, including the nongeneral fund portion of the Plan, at a future Board of Visitors meeting.

* **2. Approval of Resolution to Construct the New Business Building:** The Committees will review for approval a resolution to construct the New Business Building. This 92,300 gross square foot building will provide expanded, modern educational space sufficient to meet the demand for the Pamplin College of Business programs. The $94 million total project cost will be funded with private gifts, nongeneral fund resources earmarked for the project, and debt that will be serviced by nongeneral fund revenues generated by the College.

3. **On-Campus Housing Update:** The Committees will receive an update from the Executive Vice President and Provost and the Executive Vice President and Chief Operating Officer on the university’s on-campus housing.

* 4. **Approval of Resolution on the Student Life Village and Slusher Hall:** The Committees will review for approval a resolution on the Student Life Village and Slusher Hall.

5. **Motion for Joint Closed Session**

6. **Motion to Reconvene in Joint Open Session**

Joint Closed Session Agenda

FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND
BUILDINGS AND GROUNDS COMMITTEE

To begin immediately following the Joint Open Session
Latham Ballroom A/B, The Inn at Virginia Tech

March 25, 2025

Agenda Item	Reporting Responsibility
1. Real Estate Development Opportunity	Amy Sebring

*** Requires Full Board Approval**
 # Discusses Enterprise Risk Management Topic(s)
+ Discusses Strategic Investment Priorities Topic(s)

Briefing Report

FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND
BUILDINGS AND GROUNDS COMMITTEE

March 25, 2025

<u>Joint Closed Session</u>

1. **Real Estate Development Opportunity:** The Committee will receive a presentation on a real estate development opportunity.

General Fund Capital Outlay Plan for 2026-2032

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 20, 2025

Background:

The university prepares an updated Six-Year Capital Outlay Plan (Plan) every two years as part of its normal financial planning processes. The Plan is a critical component of positioning the university for state support of Educational and General capital projects and for advancing high priority projects that may be funded partially with nongeneral fund resources.

The state requires each institution's Board of Visitors to approve the Plan prior to submitting requests through the state capital budget process. Virginia Tech's delegated authority as a Tier III institution under the Higher Education Restructuring Act further requires the university, with Board of Visitor approval, to develop and maintain a capital plan that defines its capital needs.

The university sets a six-year planning period, identifying two lists of projects: i) a list of General Fund projects for submission in the state budget process and ii) a list of projects the university anticipates funding entirely through nongeneral funds. The plan for projects funded entirely with nongeneral fund resources is still under development and will be presented to the Board of Visitors at a later date.

The Plan is updated biennially to coincide with the state's capital budget process. Typically, the state releases instructions for capital budget submissions in the summer of odd-numbered years. Based on that timetable, the university should be prepared to submit a plan to the state in June of 2025. At this time, the state has not yet provided instructions or specific guidance for the development of those requests.

The prioritized rankings of General Fund projects for both the University Division and the Cooperative Extension/Agricultural Experiment Station (CE/AES) are shown in Attachment A and a brief description of each project is shown in Appendix 1.

Approval of the Plan by the Board of Visitors does not approve funding or action for any of the projects listed in the Plan. The Board of Visitors must approve separately requests to initiate design and construction for a project listed on the Plan. To the extent the university determines that issuing debt is necessary to support the cash flow requirements of a capital project, the Board of Visitors must also approve the debt issuance.

Process to Identify and Select Projects for the Plan:

In preparation for the 2026-2032 Plan update, the university engaged with its deans and vice presidents to identify a comprehensive list of space and facility needs for the planning period and to select the highest priority items for funding.

The process identified 148 needs, which included nine duplicate requests, and are shown in Appendix 2 by senior management area with their priority ranking. The 139 unique needs were then filtered and grouped into the six subsets listed below. A description of the filtering process for the subsets is shown in Appendix 3.

Subsets:

1. Projects that do not meet the capital project threshold (i.e., expenditures of at least $3 million and/or at least 5,000 square feet) that may be addressed as operating projects (20 items);
2. Projects logistically beyond the six-year planning period that will be held until their precursors are underway (13 items);
3. Projects that must be referred for further planning to better define the program and/or funding plan (61 items);
4. Agency 208 projects that are “actionable,” meaning they can be executed in the six-year time horizon and have funding plans sufficient to meet the anticipated needs of the project, (38 items); and
5. Agency 229 projects that are actionable (5 items).
6. VT Foundation projects that are actionable (2 items).

The lists of 45 actionable projects for Agency 208, Agency 229 and VT Foundation are then grouped by those that meet state qualifications for General Fund support and those that must be funded entirely with nongeneral funds or for which the university has developed an entirely nongeneral fund plan.

Strategic Priorities for the Planning Period:

The university established four strategic priorities to guide the needs identification for the planning period. The priorities include:

- Global Distinction
- Facility Asset Management and Renewal,
- Student Experience and Success, and
- Alignment with state capital funding priorities.

Planning Constraints:

Estimated financial resources for any planning period are finite and constrain the size of a plan and the likely pace of progress to implement projects on the plan. The five key financial constraints for the planning period are described below:

1. General Fund for Agency 208:

   The level of the state capital funding program ebbs and flows over time, with large bond programs over the past five years that advanced multiple projects at Virginia Tech. The availability of state funding depends on the priorities of the Governor and General Assembly, the Commonwealth's financial position, and the backlog of capital projects previously funded. Based on internal analyses of the state's historical investments in capital outlay, Virginia Tech could expect to position for approximately $350 million of capital appropriations during the six-year planning period.

2. General Fund for Agency 229:

   The state funding program for agency 229 is expected to generally follow the same pattern as agency 208 but at a smaller scale with an optimistic positioning for approximately $75 million during the planning period.

3. Nongeneral Fund Cash for Projects:

   Educational and General operating dollars, including General Fund appropriations and tuition, are not used to support capital outlays.

   Nongeneral fund revenues for capital outlays include auxiliary enterprise rates for residential and dining, auxiliary enterprise sales and services, comprehensive fees, overhead generated from indirect cost recoveries from grants and contracts, and private gifts.

   In general, the scale of these revenue sources is efficient relative to the costs they are designated to support; thus, the university does not generally accumulate large cash reserves that may be used to support capital projects.

   The cash that does accumulate is normally the result of cash flows that are positioned to service debt. To the extent these stores are available, the university uses them as a source in a capital project budget to reduce the amount of debt that would otherwise be required.

   The exception is private gifts designated for capital outlays. The university strives for private gift payments to be structured over a five-year payment schedule which is a very close alignment to the cash outflows of a capital project; thus, any amount of debt required to carry pledge payments should be minimal.

4. Nongeneral Fund Revenues for Debt Service:

   The nongeneral fund sources described in item 3 above may also be used to support debt service.

   The use of the university's debt capacity for a project is first determined by the strength of revenues to support debt service obligations. The university's budget and planning processes include extensive due diligence and business planning work to ensure a high

level of confidence that future revenues with be available and sufficient to service and retire any planned debt issuances, including long term leases.

Conversely, without the assurance that a revenue source will be available and sufficient for the entire repayment term of an issuance, debt is not allocated to a project.

5. Debt Financing:

   Projects with nongeneral fund support, including portions of some gift campaigns, may use external debt to finance a portion of the project. Each potential debt financing undergoes an internal financial feasibility assessment to ensure resources are sufficient to cover the full debt service term without unnecessary financial risk to the unit's operations.

   The positioning of debt is further analyzed to ensure the university does not exceed the parameters of the university debt policy or debt management practices, which sets a maximum limit of a six percent ratio of total annual debt service to total operating expenses. This evaluation is projected six-years out and includes anticipated issuances for projects in the Plan.

   The Board of Visitors reviews and approves an annual report of debt capacity and debt ratio and authorizes individual debt packages prior to an issuance. These practices provide an important set of controls to ensure the institution's debt obligations do not become a point of inflexibility in reaching the operational goals of the institution, to ensure the university is holding sufficient debt capacity for its highest priorities, and to ensure compliance with restructuring requirements for credit ratings and debt ratios.

   A projection of the timing and amount of expected debt issuances is shown in Appendix 4. The appendix shows the planned debt issuances would remain within the six percent debt ratio guideline established by the Board of Visitors and would provide approximately $319 million of unallocated capacity for unforeseen and/or unexpected opportunities that may arise during the planning period. Beyond the planning period, debt capacity returns with an estimated $492 million of unallocated capacity by FY32, which also climbs to $840 million of unallocated capacity by FY35.

General Fund Project List, Attachment A:

The highest priority projects requesting General Fund resources are listed under each division of Virginia Tech in their priority order, which reflects the strategic priorities of the university and state priorities as understood at this time. Notably, five of the ten projects under the university division are facilities that support programs in science, technology, engineering and biomedical sciences with the remaining projects targeted to ensuring appropriate facility renewal. The total dollar value of the list exceeds projected resources likely to be allocated to Virginia Tech during the planning period. By including a variety of high priority needs in the listing, the university ensures it has the flexibility to adapt to various state capital funding programs that may emerge over the upcoming 12 months.

The state requires that an institution's Board of Visitors review and approve projects prior to submission in the state budget process. Because the submission date to the state may occur before the June 2025 Board of Visitors meeting, the university is seeking the review and approval of the Plan at the March 2025 meeting of the Board of Visitors.

When guidance and instructions are received from the state, the university will prepare and submit its capital budget items based upon the projects included in Attachment A. If future instructions and/or guidance from the state necessitate a change in the rankings or arrangement of projects in the General Fund listing, a final list with adjustments as submitted to the state will be brought to the Board of Visitors for review and ratification at a subsequent meeting.

Nongeneral Fund Project List, Attachment B

The plan for projects funded entirely with nongeneral fund resources is still in development and will be presented to the Board of Visitors at a later date.

Project Costs:

The university uses two parametric-based cost estimating methods for each project which are then compared and reconciled to inform the cost amounts used in the Plan.

The first method is the Commonwealth's July 2024 Department of General Services (DGS) Construction Cost Database plus a 1.3 regional market premium factor with a 1.13 escalation rate to reach a July 2028 midpoint of construction. [Note: escalation rates for this planning period are aligned with historical norms of approximately 1.12 to 1.14.]

The second method is based on historical data reflecting actual project costs for similar projects escalated to a date that matches the "as of date" of the DGS cost database and then escalated to the same July 2028 midpoint of construction.

These cost estimates provide a reasonable order of magnitude for planning purposes. Actual project budgets and costs may stray from the amounts used in the plan when escalation runs at a pace significantly different from the rates used in these estimates and/or the approved project scope is modified when design is authorized to proceed.

Summary:

The university's updated General Fund Plan for the 2026-2032 period, as shown in Attachment A, provides a compliment of projects to advance the goals of i) garnering Global Distinction, ii) addressing facility asset management and renewal to ensure the continuity of ongoing programs and services, iii) strengthening the student experience and success, and iv) alignment with state capital funding priorities.

The Plan positions the university to compete for future state capital funding programs and is based on sound financial planning.

Because the university maintains an active capital program with a portfolio that is continually loading new projects and discharging completed projects, the university updates its Six-Year Capital Plan every two years.

RECOMMENDATION:

That the General Fund Capital Outlay Plan for 2026-2032, which seeks state funding support, be approved and for the university to submit the items in Attachment A in the state's capital budget process in accordance with future instructions and guidance from the state.

March 25, 2025

ATTACHMENT A - General Fund

Six-Year Capital Outlay Plan for 2026-2032

as of February 18, 2025

			Dollars in Thousands Escalated to July 2028			
			General Fund	Nongeneral Fund	Debt	Total
University Division						
	Academic Construction and Renovation					
1	Virginia Tech Carilion School of Medicine and Fralin Biomedical Research Institute Expansion	(1)	$ 138,300	$ -	$ 26,200	$ 164,500
2	Chemistry/Physics Facilities Renovation and Expansion (Hahn)		101,000	-	35,000	136,000
3	Renovate and Renew Academic Buildings Phase II (RRAB II)					
	Robeson Hall		30,525	6,475	-	37,000
	Price Hall		34,200	3,800	-	38,000
	Architecture Annex		8,000	-	-	8,000
	RRAB II Subtotal		72,725	10,275	-	83,000
4	Derring Hall Renovation		115,625	-	9,375	125,000
5	Newman Library Renovation		82,000	-	-	82,000
6	Burruss Hall Renovation		140,000	-	-	140,000
7	Classroom Renovations		25,000	-	-	25,000
	Infrastructure and Safety					
1	Derring Hall Envelope Repair	(1)	23,000	-	-	23,000
2	Utilities Infrastructure Renewal Phase I		48,000		12,000	60,000
3	Life, Health, Safety, Code Compliance Package		8,000	-	-	8,000
	Total University Division Projects		$ 753,650	$ 10,275	$ 82,575	$ 846,500
Cooperative Extension / Agriculture Experiment Station Division (CE/AES)						
1	Agricultural Research and Extension Centers Improvements	(2)	$ 64,000	$ -	$ -	$ 64,000
2	Relocate Plant-Based Facilities from Glade Road		14,000	-	-	14,000
3	Plant and Zoonotic Disease Research Facility (HABB-II)		83,000	-	-	83,000
4	Renew Animal and Livestock Facilities		31,000	-	-	31,000
5	Brooks Center: Sustainable Packaging Laboratory Addition		13,000	-	-	13,000
	Total CE/AES Division Projects		$ 205,000	$ -	$ -	$ 205,000
	Total General Fund Capital Plan for 2026-2032		**$ 958,650**	**$ 10,275**	**$ 82,575**	**$ 1,051,500**

Notes:

(1) Project has State Planning Authorization

(2) AREC Improvements include the Eastern Shore AREC (with current State Planning Authorization), Southern Piedmont AREC and Tidewater AREC

APPENDIX 1

Project Descriptions for the 2026-2032 Capital Outlay Plan

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 19, 2025

General Fund Projects – Listed in Attachment A:

University Division: Academic Construction and Renovation

1. Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute Expansion

This project envisions 125,000 gross square feet (GSF) of new construction including parking, to double the enrollment of the School of Medicine, and a backfill renovation of 51,000 GSF of the vacated space to expand the Fralin Biomedical Research Institute.

2. Chemistry/Physics Facilities Renovation and Expansion (Hahn Hall South)

Hahn Hall was constructed in 1988 with an addition in 2002, and no major renovations since construction was completed. The proposed project includes renovating the entire 71,100 GSF existing building for modern research laboratory and classroom space for the chemistry program and expanding with an addition to provide needed space for instructional classrooms, laboratory space, and support space for the physics program.

3. Renovate and Renew Academic Buildings Phase II (RRAB II)

The Renovate and Renew Academic Buildings Phase II project is a package of three academic buildings with renovation needs, which includes:

- Robeson Hall: Originally constructed in 1960, the proposed project includes a 66,200 GSF renovation for academic classroom, laboratory and support spaces for the College of Science,
- Price Hall: Originally built in 1907, the project would entail a 56,000 GSF academic renovation for the College of Agriculture and Life Sciences, and
- Architecture Annex: Originally built in 1916, the project envisions a 15,800 GSF classroom and office renovation for the College of Architecture, Art, and Design.

4. Derring Hall Renovation

Derring Hall was constructed in 1969 with only one major improvement via renovation since the original construction was completed. This request is to renovate and modernize

approximately 168,000 GSF of high demand instructional space for the physical sciences programs.

5. Newman Library Renovation

Newman Library was constructed in 1955 with an addition in 1980, with no major renovations since construction was completed. This project envisions constructing a new high-density library storage facility off-campus to hold volumes that need to be retained followed by a renovation of Newman Library to address outdated and undersized restroom and plumbing facilities, electrical systems, HVAC systems, and egress points to meet student demand for modern academic collaboration and interactive learning formats. The proposed project totals 242,000 GSF and includes the storage needs.

6. Burruss Hall Renovation

The proposed project includes renovating 158,000 GSF of academic and administration space. Burruss Hall was built in 1936 with additions in 1968 and 1970, and a renovation in 2007 to convert a portion of the north elevation to academic use. This project replaces and updates the major building systems within the historic building.

7. Classroom Renovations

This project will renovate 65,000 GSF of outdated and underutilized general assignment classroom space to modernize instructional spaces to meet the existing space demand for interactive learning and uphold the quality of education.

University Division: Infrastructure and Safety

1. Derring Hall Envelope Repair

Derring Hall was built in 1969, is 208,000 GSF, has a Facility Condition Index score of 55 percent, and is the university's largest undergraduate science laboratory instruction building. This project will address the significant spalling, delamination, and cracking of the exterior concrete walls, columns, parapets, and window sealants.

2. Utilities Infrastructure Renewal Phase I

The Utilities Infrastructure Renewal Phase I project has two main components. The first component includes a chiller water utility renewal, increasing capacity for existing facilities, and connecting the chilled water plants to the central chilled water loop. The second component is thermal distribution utility renewal, replacing a large portion of the centralized thermal heating distribution system network, a fifty-year old system serving 70 percent of the main Virginia Tech campus.

3. Life, Health, Safety, Code Compliance Package

The university's health, safety, and accessibility initiative for the campus is an ongoing effort, and the university includes a request for this program in each capital plan. This

project continues progress on needed campus improvements including accessibility improvements and life safety repairs that are beyond the scope of the Maintenance Reserve program.

Cooperative Extension / Agricultural Experiment Station Division

1. Agricultural Research and Extension Centers Improvements

This project will address the top priority infrastructure and renovation needs for three Agricultural Research and Extension Center sites: Eastern Shore (39,000 GSF), Tidewater (39,800 GSF), and Southern Piedmont (26,600 GSF). This project will make improvements for the research and extension programmatic needs at these locations via a combination of renovation and expansion.

2. Relocate Plant-Based Facilities from Glade Road

This project relocates plant and agricultural-based assets from the Glade Road area to more suitable permanent location near existing College of Agriculture and Life Sciences facilities on campus. The project includes the construction of multiple new buildings of approximately 34,000 GSF and the demolition of outdated assets.

3. Plant and Zoonotic Disease Research Facility (HABB-II)

This project is to provide a 94,000 GSF modern research laboratory space that will focus on infectious disease research and will include the laboratories, laboratory support spaces, faculty offices, and graduate student research space.

4. Renew Animal and Livestock Facilities

This project includes replacing approximately 100,000 GSF of outdated facilities primarily serving beef cattle, equine, sheep, and poultry. The replacement facilities consolidate functions and operational efficiencies.

5. Brooks Center: Sustainable Packaging Laboratory Addition

This project includes construction of a 17,000 GSF addition laboratory to the Brooks Forest Products Center, including fiber-based packaging materials and distribution packaging laboratories, offices and a loading dock. The laboratory will be equipped with cutting-edge technology to test and validate the performance of innovative sustainable packaging materials, accelerating their adoption to tackle pressing industry challenges.

APPENDIX 2

Project Needs

Proposals from Deans and Vice Presidents

2026-2032 Six-Year Capital Outlay Plan Update

December 9, 2024

The project proposals are listed by Academic, Support areas and Staff Initiated categories, containing the priority order of the specific Senior Management Area.

Academic

AP Arts

1	Music and Arts Building
2	Renovations: Armory, Media Annex, and Architecture Annex facilities
3	Special Collections and Cultural Center
4	College of Architecture, Arts and Design Building
5	Marching Virginian's Expansion

Architecture, Art and Design

1	New Music and Performing Arts Building
2	College of Architecture, Arts, and Design Building
3	Renovate Architecture Annex
4	Marching Virginians Facility Expansion
5	Renovate Armory
6	Road and Pedestrian Network out to Plantation Road
1-NC	Plantation Road Research and Scholarship Buildings
2-NC	Renovate Squires Performance Spaces

College of Agriculture and Life Sciences

1	Hutcheson and Smyth Hall Renovations
2	Saunders and Seitz Hall Renovation
3	Litton-Reaves Vivarium Refurbishment
229 - 1	System-wide AREC Improvements
229 - 2	Plant and Zoonotic Disease Research Facility - HABB II
229 - 3	Glade Road Research Center Replacement
229 - 4	Renew Animal Production and Livestock Facilities II
229 - 5	System-wide AREC Improvements

College of Engineering

1	Replace Randolph / Mitchell
2	Electrical and Computer Engineering Expansion Building

3 Transdisciplinary Biomedical Research Building
4 Patton Hall Renovation
5 Large Projects Building
6 Expand student-team project space for Engineering
7 Water Laboratory Facility
8 Relocate Turbo Lab and APPL
9 Blacksburg Component to Hitt Research Building in Falls Church
10 Norris Hall Renovation
11 Shared Support Research Facilities (i.e., Renovate Robeson Hall)

College of Liberal Arts and Human Sciences

1 Life Span and Family Services Research Center
2 School of Education Facility
3 Renovate Lane Hall (ADA Compliance)
4 Renovate Wallace Hall
5 Consolidate off-campus leases for TTAC and School of Education

College of Natural Resources and Environment

1 Cheatham Hall Renovation and Expansion
2 Paver Patio outside of Cheatham Hall
229 - 1 Brooks Center Renovation and Expansion

College of Science

1 Hahn Hall South Renovation and Expansion
2 Robeson Hall Renovation
3 Derring Hall Renovation
4 Instruction Swing Space for Robeson, Hahn, Derring renovations

College of Veterinary Medicine

1 Veterinary Teaching Hospital Expansion
2 Additional instructional space for Public Health Program
3 Space to grow One Health Research Program

Graduate School

1 Blacksburg: Graduate & professional student and family housing
NCR: Graduate & professional student and family housing
Roanoke: Graduate & professional student and family housing
2 Affordable childcare space on or adjacent to campus
NCR: Large Auditorium / Multipurpose Spaces

Health Sciences and Technology

1 VTC-School of Medicine and Fralin Biomedical Research Institute Expansion
2 Purchase of CNH CNRIC Phase one building
3 Upfit/Complete Phase II of Children's National Partnership
4 FBRI Cancer Research Facility
5 Expand the HS&T Campus: New program - Climate Health Sciences
6 Expand the HS&T Campus: New program - Pharmaceutical Sciences

Honors College

1 New Honors College Building / Expansion

Innovation Campus

1 Upfit ICAB I Floors 6 and 7
2 Innovation Campus: Innovation Building Lease
3 Regional central administrative services hub
4 VTRC-A Reconfiguration to advance NSI thematic alignment
5 Innovation Campus Academic Building II
6 Innovation Campus Academic Building III

Libraries

1 Library Storage Facility Expansion
2 Newman Library Renovation

Pamplin College of Business

1 New Business Building
2 Expand Scope and Grow within the Innovation Campus

Provost

1 General Assignment Classroom Renovations
2 Support of SLV, Vivarium, Nanofabrication, SOPA
3 Space for Transdisciplinary Engagement
4 Pamplin Hall Backfill Renovation

School of Medicine

1 VTC-School of Medicine and Fralin Biomedical Research Institute Expansion

Support

Advancement

1 Advocate for University Priorities

Athletics

1 Beamer Lawson Indoor Practice Facility Heating
2 Lane Stadium and Cassell Coliseum Scoreboards
3 Cassell Coliseum Renovation and Enhancements
4 Driving Range and other golf practice holes
5 Tennis Center Improvements
6 Softball Park Improvements
7 Soccer/Lacrosse Improvements

Auxiliary and Business Services

1 Parking Garage
2 Mail Services Facility

3 Inn at VT Renovations
4 VTSI Integration (Bookstore Renovation)
5 Support of ADA/Accessibility Projects

Diversity, Inclusion and Strategic Affairs

1 Cultural Community Focus Centers

Equity and Inclusion

1 Infinite Loop + Green Links
2 Auditorium Accessibility Renovation Package
3 Campus Infrastructure Accessibility Projects*
Auxiliary Accessibility Projects*
E&G Accessibility Projects*

Facilities

1 Fire and Life Safety Systems
2 Accessibility Improvements (with CAWG)
3 Burruss Hall Renovation (Phase I)
4 Burruss Hall Renovation (Phase II)
5 Sterrett Center Feasibility Study
6 North Chiller Plant Renewal
7 Thermal Infrastructure Distribution Renewal (Phase I)
8 Chilled Water Plant Renewal (Phase III)
9 Electric Bulk Feeder Renewal (West Campus Load)
10 New Thermal Utility Plant
11 Critical Utilities Renewal and Existing Plant Upgrades
12 Heritage Protection and Preservation feasibility study package
13 Solitude Preservation and Renewal

Finance

1 IT ERP Project

Foundation

1 U-Mall / Glade Rd Redevelopment
2 CRC Expansion

Information Technology

1 SLV Living Learning District Core Extension for IT
2 Owens Cabling Center Relocation for IT
3 Statewide Networking at each campus for IT
4 Blacksburg Campus Infrastructure Expansion for IT

Outreach and International Affairs

1 Replacement Space for International Affairs Offices
2 Relocate VP-OIA Office back to campus
3 Consolidated Global Facility

Public Safety

1 Rescue Squad Building
2 Security Cameras
3 Campus Buildings - Perimeter Access Control
4 Materials Management Facility Expansion
5 Police Training Facility
6 Landfill Closure Compliance
7 Message Board (VT Alerts) Replacement
8 Support of ADA/Accessibility Projects

Research and Innovation

1 Expand Vivarium Spaces
2 Comprehensive Nanofabrication Facility
3 Expansion of National Security Facilities
4 Wet Lab Expansion Building
5 ICTAS MAAP Drone Facility

Student Affairs

1 Food Processing Center and Warehouse
2 Student Life Village Phase 1
3 Student Life Village - Phase 2
4 Renovate Pritchard Hall
5 Student Life Village - Phase 3
6 Renovate Hoge Hall
7 Drillfield Residence Hall Renovations (Campbell and Eggleston)

Staff Initiated

Staff

Campus Mobility
Collapsing the temporary recreation facility, e.g., 'Big White Tent'
Lane Hall Renovation
Price Hall Renovation
Property Acquisitions
Renovate G. Burke Johnston Student Center
Renovate Media Building
Transdisciplinary Research Warehouse
Derring Hall Envelope
Renovate and Renew Academic Buildings Phase II
Campus Services: Mail, Surplus, and Storage
Renovate Henderson Hall

* Note: Multiple Accessibility Projects identified under these broader categories

APPENDIX 3

Capital Needs Filtering Process
2026-2032 Capital Outlay Plan Update
February 19, 2025

A critical task of the Six-Year Plan update cycle is categorizing the collected capital needs and organizing them based on predetermined qualifiers. The 139 unique capital needs are classified into one of five subcategories based on the definitions below.

1. **Non-capital items:** This category is for facility and space needs with a scope less than $3 million and/or 5,000 gross square feet. The solution may be implemented through normal operating processes with university departments such as Procurement, Facility Operations, or Real Estate Management. This category contains 20 projects.

2. **Projects Logistically Beyond Six Years:** This category is for capital needs that require prerequisite projects to be completed before advancing or for needs that are too far down the senior management area's priority list to be considered actionable during the Six-Year capital planning period. This category contains 13 projects.

3. **Projects Referred for Further Internal Planning:** This category is composed of capital needs that have not satisfied the nine qualifiers established to determine if a project can be considered actionable as a capital outlay activity. This category holds 61 projects. The qualifiers for this category include the following:

   i. Program space chart completed in assignable square feet and gross square feet;
   ii. Space solution identified: renovation, demolition and replacement, or new space;
   iii. Location and site identified;
   iv. Acquisition method identified: lease, purchase, PPEA, CM@Risk, Design-Build, Hard Bid;
   v. Parametric cost estimate calculated for rough order of magnitude;
   vi. Operating pro forma completed for auxiliary enterprise and research projects;
   vii. Funding plan for the entire project costs;
   viii. If external debt is part of the funding plan, sources committed for the entire debt service period; and
   ix. Private fund component approved by central Office of Advancement.

4. **Agency 208 Projects Actionable Within Six Years:** This category is for Agency 208 capital needs that have satisfied the preceding qualifiers to be considered actionable during the planning period. This category contains 38 projects.

5. **Agency 229 Projects Actionable Within Six Years:** This category is for Agency 229 capital needs that have satisfied the preceding qualifiers to be considered actionable during the planning period. This category contains 5 projects.

6. **Virginia Tech Foundation Actionable Within Six Years**: This category is for VT Foundation needs that are considered actionable during the planning period. This category contains 2 projects.

APPENDIX 4

Illustration of Debt Allocations Within a Six Percent Ratio
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
As of October 22, 2024
(Dollars in Thousands)

	Planning Projections						Trailing Period					
	2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**2031-32**	**2032-33**	**2033-34**	**2034-35**	**Total**
Authorized Projects												
Debt Issuances												
Building Envelope Repairs		$15,250	$15,250									$30,500
BOV Approved Leases												
Children's National Lease Expansion, Phase II (Lease)						$11,300						11,300
Children's National Lease Expansion, Phase II (Upfits)						8,700						8,700
	-	15,250	15,250	-	-	20,000	-	-	-	-	-	50,500
Placeholder Allocations for Six-Year Capital Outlay Plan												
Debt Issuances												
Pamplin College of Business		$52,700										52,700
SLV Phase I - Utilities and Infrastructure		50,000										50,000
Rescue Squad			$11,500									11,500
SLV Phase I - Recreation			10,000									10,000
SLV Phase I - Dining			40,000									40,000
SLV Phase I - Residential			115,000	$115,000								230,000
Veterinary Teaching Hospital Expansion				20,000								20,000
Parking Structure at Blacksburg Campus				26,300								26,300
VTC-School of Medicine & FBRI Expansion				30,000								30,000
Hahn Hall South Renovation and Expansion					$40,900							40,900
G. Burke Johnston Renovation						$5,000						5,000
BOV Approved Leases												
Food Processing Center and Warehouse		15,000										15,000
Expand Vivarium Spaces		45,000										45,000
Replace Kmart Lease					11,000							11,000
	-	162,700	176,500	191,300	51,900	5,000	-	-	-	-	-	587,400
Total Authorized and Placeholder Issuances	$ -	$177,950	$191,750	$191,300	$51,900	$ 25,000	$ -	$ -	$ -	$ -	$ -	$637,900
Net Debt Capacity (20-Year Present Value)	$417,490	$366,528	$335,667	$293,324	$256,570	$319,404	$385,388	$491,947	$643,798	$745,914	$839,727	

Capital Project for the New Business Building

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 20, 2025

The Board of Visitors approved an $8 million planning authorization in April 2022 to design a new building for the Pamplin College of Business (College) as part of the academic component of the Global Business and Analytics Complex (GBAC). This new building project has been on both the Campus Master Plan and the Six-Year Capital Outlay plan. The project completed preliminary designs in Fall 2024 and is in the working drawings design phase.

The New Business Building is envisioned as a four-story structure that will connect with the Data and Decision Sciences Building through a common area and provide expanded, modern, educational space sufficient to meet demand for the business programs. The site for the academic building is the northwest corner of campus near Prices Fork Road and West Campus Drive.

The project design for the approximately 92,300 gross square foot building is 80 percent complete, with construction expected to begin in August 2025. The university has obtained estimated construction costs based on the design documents from the Construction Manager at Risk and third-party cost estimators. Based on this information, the university estimates a total project cost of $94 million inclusive of all hard and soft costs including design, construction, equipment and administration.

The funding plan for the $94 million project budget calls for $47 million of nongeneral fund resources earmarked for the project including private gifts, and $47 million of debt that will be serviced by nongeneral fund revenues generated by the College. The actual debt amount may be adjusted downward for any revenues accumulated prior to the issuance of permanent debt.

With an established scope, schedule, delivery method, and funding plan for the cost estimate, the university is ready to move forward to complete the New Business Building project. Under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has the authority to approve the budget, size, scope, and funding of nongeneral fund capital outlay projects. This request is for a $86 million supplement to the existing $8 million authorization for an adjusted $94 million total authorization to complete the construction of the New Business Building project.

RESOLUTION FOR A CAPITAL PROJECT FOR THE NEW BUSINESS BUILDING

WHEREAS, the Board of Visitors approved an $8 million planning authorization for the New Business Building project in April 2022 and the project has completed preliminary design in Fall 2024 and is in the working drawings phase; and,

WHEREAS, the facility will house the Pamplin College of Business programs to provide expanded, modern, educational space sufficient to meet demand for the business programs; and,

WHEREAS, the design is for a four-story building acting as a companion structure and connected to the Data and Decision Sciences building located in the northwest corner of campus near Prices Fork Road and West Campus Drive; and,

WHEREAS, the design for an approximately 92,300 gross square foot is 80 percent complete with estimates that show an expected total project cost of $94 million; and,

WHEREAS, the project is on pace to execute a single construction contract by August 2025; and,

WHEREAS, the total project budget inclusive of design, construction, equipment, and administration is $94 million, and the university has developed an entirely nongeneral fund financing plan sufficient to support the project budget; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the university has the authority to issue bonds, notes or other obligations that do not constitute State tax supported debt; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has authority to approve the budget, size, scope, and funding of nongeneral funded major capital outlay projects.

NOW, THEREFORE, BE IT RESOLVED, that the university be authorized to complete the New Business Building project for the Pamplin College of Business and to secure temporary short-term financing through any borrowing mechanism that, prior to such borrowing, has been approved by the Board, as applicable, in an aggregate principal amount not to exceed the $94 million authorized for the total project budget, plus related issuance costs and financing expenses.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to complete the New Business Building be approved.

March 25, 2025

RESOLUTION ON THE STUDENT LIFE VILLAGE AND SLUSHER HALL

WHEREAS, the Board of Visitors desires to rescind the Board's actions of November 13, 2022, adopting the 2022 Student Life Village Master Plan as a Supplement to *Beyond Boundaries 2047* and restore the original unamended *Beyond Boundaries 2047* as adopted in 2018; and,

WHEREAS, the Board of Visitors desires to reconsider the decision to demolish Slusher Hall;

NOW, THEREFORE, BE IT RESOLVED that the Virginia Tech Board of Visitors hereby rescinds the November 13, 2022, adoption of the Student Life Village Amendment to the Campus Master Plan as a supplement to *Beyond Boundaries 2047;* and

BE IT FURTHER RESOLVED that the original version of Beyond Boundaries Master Plan without the Student Life Village supplement will remain in full force and effect; and

BE IT FURTHER RESOLVED that all planning and expenditure of funds on the Student Life Village cease immediately, including without limitation that the expenditure of any funds for planning Phase I of the Student Life Village approved by action of the Board of Visitors on June 6, 2023, be halted as soon as practicable under the existing contractual arrangements; and

BE IT FURTHER RESOLVED that the university take the necessary actions to remove all references to the Student Life Village from all university planning, budgetary, and capital outlay documents; and

BE IT FURTHER RESOLVED that Slusher Hall will not be demolished but instead will be renovated; and

BE IT FURTHER RESOLVED that on or before the August 2025 meeting of the Board of Visitors, the university shall present to the Board a report revising the Six-Year Plan and re-projecting deployment of the university debt capacity without the construction of Phase I of the Student Life Village; and

LASTLY, BE IT RESOLVED that on or before the August 2025 meeting of the Board of Visitors, the university shall present to the Board a plan for the renovation of Slusher Hall.

RECOMMENDATION:
That the Student Life Village and Slusher Hall resolution be approved.

March 25, 2025

Closed Session Agenda

COMPLIANCE, AUDIT, AND RISK COMMITTEE

The Inn at Virginia Tech, Latham C
March 25, 2025
8:30 a.m.

	Agenda Item	**Reporting Responsibility**
1.	Motion to Begin Closed Session	Committee Member
2.	Update on Fraud, Waste, and Abuse Cases	Ryan Hamilton Sharon Kurek
3.	Internal Audit Reports	Justin Noble
	a. Vice President for IT Policy Compliance Review	
4.	Discussion with the Chief Audit Executive	Justin Noble
5.	Discussion with the Vice President for Audit, Risk, and Compliance & Chief Risk Officer	Sharon Kurek
6.	Motion to End Closed Session	Committee Member

Closed Session Briefing Report

COMPLIANCE, AUDIT, AND RISK COMMITTEE

March 25, 2025

Compliance, Audit, and Risk Closed Session

1. **Motion to Begin Closed Session:** Motion to begin closed session.

2. **Update on Fraud, Waste, and Abuse Cases:** The Committee will receive an update on outstanding fraud, waste, and abuse cases.

3. **Internal Audit Reports:** The following confidential internal audit report was issued by the Office of Audit, Risk, and Compliance (OARC) since the November board meeting. Where applicable, management developed action plans to effectively address the issues in the report with a reasonable implementation timeframe. OARC conducts follow-up on management's implementation of agreed upon improvements for previously issued audit recommendations.

   a. Vice President for IT Policy Compliance Review: The audit received a rating of improvements are recommended. An observation was noted regarding information technology. Low priority recommendations of a less significant nature were noted regarding emergency preparedness, state vehicle management, and conflict of commitment.

4. **Discussion with the Chief Audit Executive:** The CAE will discuss employee performance and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will involve discussion of the performance of specific individuals.

5. **Discussion with the Vice President for Audit, Risk, and Compliance and Chief Risk Officer:** The Vice President will discuss employee performance and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will involve discussion of the performance of specific individuals.

6. **Motion to End Closed Session:** Motion to end closed session.

Open Session Agenda

COMPLIANCE, AUDIT, AND RISK COMMITTEE

The Inn at Virginia Tech, Latham C
March 25, 2025
11:00 a.m.

Agenda Item	**Reporting Responsibility**
1. Welcome and Acceptance of Agenda	Anna James
2. Consent Agenda a. Minutes from the November 18-19, 2024 Meeting b. Update of Responses to Open Internal Audit Comments c. Audit Plan Status Report d. Internal Audit Reports i. Agricultural Research and Extension Centers ii. Electrical and Computer Engineering iii. Undergraduate Admissions e. Auditor of Public Accounts Financial Statement Audit f. Auditor of Public Accounts Intercollegiate Athletics Program Report	Anna James
3. Discussion on Updated Auditing Standards	Justin Noble
4. Internal Audit Reports a. Programs for Minors b. Student Immigration Processes	Justin Noble
5. Update from the Executive VP and Chief Operating Officer	Amy Sebring
6. Discussion of Future Topics	Anna James

Open Session Briefing Report

COMPLIANCE, AUDIT, AND RISK COMMITTEE

March 25, 2025

<u>Compliance, Audit, and Risk Open Session</u>

1. **Welcome and Acceptance of Agenda:** The chair of the Compliance, Audit, and Risk Committee will provide opening remarks and ask for acceptance of the Open Session agenda.

2. **Consent Agenda:** The Committee will consider for approval and acceptance the items listed on the Consent Agenda.

    a. **Minutes from the November 18-19, 2024 Meeting:** The Committee will review and approve the minutes of the November 18-19, 2024 meeting.

    b. **Update of Responses to Open Internal Audit Comments:** The Committee will review the university's update of responses to all previously issued internal audit reports. As of September 30, 2024, the university had seven open recommendations. Six audit comments were issued during the second quarter of the fiscal year. As of December 31, 2024, the university had 13 open recommendations in progress.

    c. **Audit Plan Status Report:** The Committee will review the Audit Plan Status Report. The Office of Audit, Risk, and Compliance (OARC) has completed 39 percent of its audit plan, and 79 percent is underway, in accordance with the fiscal year 2024-25 annual audit plan.

    d. **Internal Audit Reports:** The following internal audit reports were issued by OARC since the November 19, 2024 meeting. Where applicable, management developed action plans to effectively address the issues in the report with a reasonable implementation timeframe. As noted above, OARC conducts follow-up on management's implementation of agreed upon improvements for previously issued audit recommendations.

        i. Agricultural Research and Extension Centers: The audit received a rating of improvements are recommended. Low priority recommendations of a less significant nature were noted regarding fiscal responsibility, wage payroll, leave reporting, I-9 verification, purchasing card expenditures, and funds handling.

ii. Electrical and Computer Engineering: The audit received a rating of improvements are recommended. Observations were noted regarding laboratory access, laboratory safety training, and timely service center billing. A low priority recommendation of a less significant nature was noted regarding cleanroom inventory.

iii. Undergraduate Admissions: The audit received an effective rating.

e. **Auditor of Public Accounts Financial Statement Audit:** The Committee will receive a report on the Auditor of Public Accounts (APA) audit of the university's financial statements for the fiscal year ended June 30, 2024. During the audit, the APA found the financial statements were presented fairly in all material respects, and there were no internal control findings requiring management's attention.

f. **Auditor of Public Accounts Intercollegiate Athletics Program Report:** The Committee will receive a report on the Auditor of Public Accounts (APA) Intercollegiate Athletics review for fiscal year 2024. The APA performed certain agreed upon procedures to evaluate whether the Schedule of Revenues and Expenses of the Intercollegiate Athletics Programs for fiscal year ending June 30, 2024 is in compliance with the National Collegiate Athletic Association (NCAA) bylaws. The review did not constitute an audit and therefore no opinion was issued.

3. **Discussion on Updated Audit Standards:** The Committee will receive a presentation on the new professional audit standards, including board governance responsibilities.

4. **Internal Audit Reports:** The following internal audit reports were issued by OARC since the November 19, 2024 meeting. Where applicable, management developed action plans to effectively address the issues in the report with a reasonable implementation timeframe. As noted above, OARC conducts follow-up on management's implementation of agreed upon improvements for previously issued audit recommendations.

   a. Programs for Minors: The audit received a rating of improvements are recommended. An observation was noted regarding participant information and First Aid/CPR certification. An observation with university-wide impact was noted related to program governance. Two low priority recommendations of a less significant nature were noted regarding program registration and completion of background checks and youth protection training.

b. Student Immigration Processes: The audit received a rating of improvements are recommended. Observations were noted regarding updates to the university's I-17 form and student employment compliance. Low priority recommendations of a less significant nature were noted regarding CPT enrollment requirements and user access management to Terra Dotta.

5. **Update from the Executive VP and Chief Operating Officer:** The Committee will receive an update from EVPCOO Amy Sebring.

6. **Discussion of Future Topics:** The Committee will discuss topics to be covered in future committee meetings.

Closed Session Agenda

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

1:15 p.m.

Latham Ballroom A/B, The Inn at Virginia Tech

March 24, 2025

	Agenda Item	Reporting Responsibility
	1. Motion for Closed Session	Ryan McCarthy
*	2. Ratification of Personnel Changes Report	Simon Allen

* **Requires full Board approval**
\# **Discusses Enterprise Risk Management topic(s)**
\+ **Discusses Strategic Investment Priorities topic(s)**

Briefing Report

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

March 24, 2025

Closed Session

1. **Motion for Closed Session**

* 2. **Ratification of Personnel Changes Report:** The Committee will review for ratification the quarterly Personnel Changes Report.

Open Session Agenda

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

To begin immediately following the Closed Session
Latham Ballroom A/B, The Inn at Virginia Tech

March 24, 2025

	Agenda Item	Reporting Responsibility
	1. Motion to Reconvene in Open Session	John Rocovich
	2. Welcome and Opening Remarks	Dave Calhoun
	3. Consent Agenda a. Approval of Items Discussed in Closed Session b. Approval of Minutes of the November 19, 2024 Meeting	Dave Calhoun
	4. State Legislative and Budget Update	Elizabeth Hooper Tim Hodge
*#+	5. Resolution for Approval of 2025-26 Tuition and Fee Rates	Simon Allen Tim Hodge
#	6. Federal Legislative Update and Financial Impacts	Chris Yianilos Simon Allen
*	7. Approval of Year-to-Date Financial Performance Report (July 1, 2024 – December 31, 2024)	Tim Hodge Rob Mann
#	8. Update on Advancement	Charlie Phlegar
	9. University's Annual Financial Statements	Simon Allen Melinda West
	10. Intercollegiate Athletics Programs Report for Year Ended June 30, 2024	Melinda West
	11. Discussion of Future Agenda Topics and Closing Remarks	Dave Calhoun

* **Requires full Board approval**
\# **Discusses Enterprise Risk Management topic(s)**
\+ **Discusses Strategic Investment Priorities topic(s)**

Briefing Report

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

March 24, 2025

Open Session

1. **Motion to Reconvene in Open Session**

2. **Welcome and Opening Remarks**

3. **Consent Agenda:** The Committee will consider for approval and acceptance the items listed on the Consent Agenda.

    a. **Approval of Items Discussed in Closed Session:** The Committee will review and approve the items discussed in closed session.

    b. **Approval of Minutes of the November 19, 2024 Meeting:** The Committee will review and approve the minutes of the November 19 meeting.

4. **State Legislative and Budget Update:** The Committee will receive a state legislative update, including an overview of the legislation that passed and failed during the 2025 General Assembly session. This update also includes information on the commonwealth's fiscal year 2026 budget and the one-time nature of much of the support.

*#+ 5. **Resolution for Approval of 2025-26 Tuition and Fee Rates:** The Committee will review for approval a resolution to approve the proposed 2025-26 tuition and fee rates. The 2004 General Assembly authorized "Board of Visitors . . . of institutions of higher education may set tuition and fee charges at levels they deem to be appropriate for all resident student groups based on, but not limited to, competitive market rates…" The Committee will receive an overview of the unavoidable cost drivers of tuition and fee rates, including state-mandated faculty and staff compensation, healthcare rate increases, and other unavoidable cost increases.

    For 2025-26, the university proposes increases in tuition rates (2.9 percent) and mandatory educational and general (E&G) fee rates (0.4-2.7 percent) for: in-state and out-of-state undergraduate and graduate students; Virginia/Maryland Regional College of Veterinary Medicine students; and Virginia Tech Carilion School of Medicine students.

    The university recommends an increase of $186 to the total comprehensive fee and 4.4 percent average increase in room and board.

#+ 6. **Federal Legislative Update and Financial Impacts:** The Committee will receive a federal legislative update, including an overview of the financial impacts of recent federal legislative changes.

* 7. **Approval of Year-to-Date Financial Performance Report (July 1, 2024 – December 31, 2024):** The Committee will review for approval the Year-to-Date Financial Performance Report for July 1, 2024 to December 31, 2024. For the second quarter, budget adjustments were made to reflect revisions to projected revenues and expenditures. The report shows the actual revenues and expenses compared to the budgets and the overall status and expenditures of ongoing capital projects. As of December 31, 2024 operating revenues and expenditures are on track.

8. **Update on Advancement:** University Advancement will provide a mid-year report on activities and fundraising efforts including giving totals, campaign fundraising and engagement progress, Giving Day success, and strategic work on a future roadmap.

9. **University's Annual Financial Statements:** The Committee will receive an overview of the university's annual financial statements for the fiscal year ending June 30, 2024. The financial statements have been prepared in accordance with generally accepted accounting principles, and the Auditor of Public Accounts (APA) issued an unmodified (or clean) opinion with no material weaknesses.

   The institution is in a solid financial position. The steady return on net position indicates sustainable growth, positioning the institution well for future investments and economic uncertainties. Total revenues for fiscal year 2024 were $2.37 billion, an increase of $169.3 million or 7.7 percent over fiscal year 2023. Total operating expenses for fiscal year 2024 were $1.95 billion, an increase of $143.5 million or 7.9 percent over fiscal year 2023.

10. **Intercollegiate Athletics Programs Report for Year Ended June 30, 2024:** The Committee will receive a report on the Auditor of Public Accounts (APA) Intercollegiate Athletics Program Schedule of Revenues and Expenses review for fiscal year 2024. The APA has not identified any matters requiring adjustments to the Schedule at the time of this report. In addition to the Schedule, the agreed-upon procedures address internal controls, affiliated and outside organizations, and separate procedures for specific revenues and expenses.

    Total revenues for fiscal year 2024 were $140 million, an increase of $10 million or 7.7 percent. Total expenses for fiscal year 2024 were $133 million, an increase of $16 million or 13.7 percent. Athletics-related long-term debt, leases and subscriptions at the end of fiscal year 2024 totaled $89.7 million.

11. **Discussion of Future Agenda Topics and Closing Remarks:** The Committee will discuss possible topics for future meetings and other topics as needed.

Open Joint Session Agenda

FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND BUILDINGS AND GROUNDS COMMITTEE

9:30 a.m.
Latham Ballroom A/B, The Inn at Virginia Tech

March 25, 2025

		Agenda Item	Reporting Responsibility
*#+	1.	Approval of the General Fund Capital Outlay Plan for 2026-2032	Simon Allen Dwyn Taylor Rob Mann
*	2.	Approval of Resolution to Construct the New Business Building	Simon Allen Dwyn Taylor Rob Mann
	3.	On-Campus Housing Update	Cyril Clarke Amy Sebring
*	4.	Approval of Resolution on the Student Life Village and Slusher Hall	Dave Calhoun Tish Long
	5.	Motion for Joint Closed Session	Nancy Dye
	6.	Motion to Reconvene in Joint Open Session	Anna James

* **Requires full Board approval**
\# **Discusses Enterprise Risk Management topic(s)**
\+ **Discusses Strategic Investment Priorities topic(s)**

Briefing Report

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

March 25, 2025

Joint Open Session

*#+ **1. Approval of the General Fund Capital Outlay Plan for 2026-2032:** The Committees will review for approval the 2026-2032 Capital Outlay Plan. The university prepares an updated Six-Year Capital Outlay Plan every two years as part of its normal planning and budgeting cycle. The Plan is a critical component of positioning the university for state support of major Educational and General projects and for advancing high priority projects that may be funded entirely with nongeneral fund resources. Traditionally, the state requires each institution to submit a capital plan in June of the year before a new biennium begins. The next state capital outlay plan will be for 2026-2032, and it will be established in the 2025-26 budget development process. Based on that timetable, a plan from the university for 2026-2032 will be due to the state in June of 2025.

Preliminary work has been done to identify potential projects for inclusion in the 2026-2032 Capital Outlay Plan in anticipation of future guidance and instructions from the state. These projects are consistent with programmatic needs established for the planning period and with the strategic plan of the university, and they position the university with options to respond to guidance from the state.

Since the submission date for the new Plan may occur before the June 2025 Board of Visitors meeting, the university is requesting the review and approval of the list of potential projects for inclusion in the 2026-2032 Capital Outlay Plan for General Fund projects. The university will provide an update to the status of the 2026-2032 Plan, including the nongeneral fund portion of the Plan, at a future Board of Visitors meeting.

* **2. Approval of Resolution to Construct the New Business Building:** The Committees will review for approval a resolution to construct the New Business Building. This 92,300 gross square foot building will provide expanded, modern educational space sufficient to meet the demand for the Pamplin College of Business programs. The $94 million total project cost will be funded with private gifts, nongeneral fund resources earmarked for the project, and debt that will be serviced by nongeneral fund revenues generated by the College.

3. **On-Campus Housing Update:** The Committees will receive an update from the Executive Vice President and Provost and the Executive Vice President and Chief Operating Officer on the university's on-campus housing.

* 4. **Approval of Resolution on the Student Life Village and Slusher Hall:** The Committees will review for approval a resolution on the Student Life Village and Slusher Hall.

5. **Motion for Joint Closed Session**

6. **Motion to Reconvene in Joint Open Session**

Joint Closed Session Agenda

FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND
BUILDINGS AND GROUNDS COMMITTEE

To begin immediately following the Joint Open Session
Latham Ballroom A/B, The Inn at Virginia Tech

March 25, 2025

Agenda Item	Reporting Responsibility
1. Real Estate Development Opportunity	Amy Sebring

*** Requires Full Board Approval**
 # Discusses Enterprise Risk Management Topic(s)
+ Discusses Strategic Investment Priorities Topic(s)

Briefing Report

FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND
BUILDINGS AND GROUNDS COMMITTEE

March 25, 2025

Joint Closed Session

1. **Real Estate Development Opportunity:** The Committee will receive a presentation on a real estate development opportunity.

Proposed Tuition and Fee Rates for 2025-26

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

March 6, 2025

Development of 2025-26 Tuition and Fee Rates

The university has traditionally developed tuition and fee proposals in February and March of each year, with final rates submitted to the Board of Visitors at its regularly scheduled spring meeting in late March or early April. This process typically allows the university to incorporate the impact of legislative actions taken during the regular General Assembly session into the tuition and fee proposals. Finalizing these rates at the spring Board of Visitors meeting helps students plan for the financial costs of the upcoming academic year and allows the Office of University Scholarships and Financial Aid to deliver timely and effective financial aid award information to current and prospective students.

The 2025 General Assembly session adjourned on February 22, 2025, sending a proposed budget to Governor Youngkin for final approval. While the state budget is not yet final, the university can now consider the final amount of General Fund support that the university projects receiving in 2025-26 as well as the nongeneral fund cost assignments that must be met with self-generated resources. With that understanding, the following tuition and fee recommendation is proposed to address the university's 2025-26 resource needs.

Attached Schedules 1–7 provide a summary of all tuition and fee rates proposed for the 2025-26 academic year.

Impact of Student Financial Aid Programs

The university continues to make strategic investments into student financial aid programs that support low-to-middle-income students and support enrollment management strategies, including the Virginia Tech Advantage initiative announced by the President in fall of 2022. Reflecting on our land grant mission and motto of Ut Prosim (That I May Serve), the university has committed to offering a broad educational experience to undergraduate students from Virginia who have financial need. The goal of the program is to improve access and affordability for in-state undergraduate students with financial need and enhance student success. Virginia Tech Advantage will transform the university's ability to meet student needs, remove barriers, and envision a future full of opportunity for every Hokie graduate.

In addition to the investment in the keystone initiative, the Virginia Tech Advantage, the university maintains a robust student financial aid program to ensure access and affordability of the institution's programs. The proposed increases to tuition and fees represent the gross charges assessed to students and may be offset by one of the university's various financial assistance programs. This includes the Funds for the Future program, which shelters returning undergraduate students from tuition and fee increases. This aid program is being expanded in FY26 to ensure families with incomes up to $115,000 are being sheltered from tuition and fee increases. Additional new investments in Student Financial Aid will continue to enhance the university's overall student financial aid program.

Tuition

The university's Six-Year Financial Plan sets short-term targets for tuition and fees. Although these plans are developed in accordance with state guidelines based on certain assumptions about state support from the General Fund, the university develops tuition and fee recommendations for the coming year based on actual and projected revenues and costs. The university has worked to balance these criteria in developing the proposed annual base tuition rates, detailed on Schedule 1.

Veterinary Medicine

When the Virginia-Maryland Regional College of Veterinary Medicine was formed, the two states agreed to provide equal contributions (per Virginia and Maryland student) to the instructional operating budget. It was also agreed that both Virginia and Maryland students would pay the same resident tuition rate. The tuition agreement has been sustained since the first class was admitted.

Each year the tuition proposal is reviewed with the Virginia-Maryland Regional College of Veterinary Medicine Budget and Program Review Board (established to review the college's budget and comprised of representatives from Virginia Tech and the University of Maryland). Veterinary medicine program tuition rates are detailed on Schedule 1.

Virginia Tech Carilion School of Medicine

Integrated as the ninth college of Virginia Tech on July 1, 2018, the Virginia Tech Carilion School of Medicine is funded through a combination of medical student tuition and partnership support. Medical program tuition rates are detailed on Schedule 1.

Graduate Candidacy Status

To recognize the largely independent nature of doctoral students who have completed two years of course work, passed their preliminary exam, and are engaged in research and dissertation efforts, the university has a lower tuition rate for research and dissertation hours for students in this status. Candidacy Status is conferred by the Graduate School after a student has completed two years of course work and passed their preliminary exam. A reduced tuition rate for Candidacy Status is intended to incentivize time-to-degree for Ph.D. students, minimize the cost to research programs, and better position the university within the competitive market. As an incentive to graduate, the rate is available for a maximum of two years for full-time students and the rate will be automatically applied in the next semester after the Graduate School affirms a student's candidacy status. This rate does not apply to executive graduate programs. These rates are discounted 15% from standard graduate tuition. The university recommends continuing this policy. Graduate Candidacy Status tuition rates are detailed on Schedule 1.

Special Tuition Rates

Semester and Part-Time Tuition Rates

Semester rates equal one-half of annual rates. Part-time rates are derived from the respective full-time rate and are directly related to the number of credit hours taken. For tuition calculation purposes, the full-time undergraduate semester rate is divided by twelve credit hours and the full-time graduate semester rate is divided by nine credit hours. Part-time rates are detailed on Schedule 2.

Summer and Winter Session Rate

The Higher Education Opportunity Act of 2011 outlined objectives that seek to expand access to and promote degree completion across the commonwealth's higher education system. During non-traditional academic time periods, increasing year-round utilization of facilities and advancing opportunities for degree completion is an important strategy for supporting these objectives. To position the university for continued innovation in non-traditional session enrollment growth, in 2012-13 the university shifted the assessment of summer and winter session undergraduate tuition to a per-credit hour basis at a 10 percent discount of the regular session hourly rates for on-campus students. The university proposes to continue this assessment methodology for the 2025-26 winter and summer sessions. This approach provides a financial incentive for students to complete their degree at an accelerated pace and offers improved flexibility for faculty to innovate academic offerings during these non-traditional sessions. Special session tuition rates are detailed on Schedule 2.

Program Specific Online Graduate Tuition Rates

For select online graduate programs with significant demand beyond the commonwealth's borders and the capacity for growth, the university has developed a tiered set of tuition rates that apply to all students in each program. These rates ensure coverage of the direct and indirect cost of instruction and satisfy state policy requiring that nonresident students be assessed at least the average cost of education. This rate structure is organized into four tiers; market assessment and review of program costs determine each program's rate tier. Students are also assessed the traditional mandatory E&G fees (Library). As completely online programs, students are not assessed the Commonwealth Facility and Equipment Fee. These rates are detailed on Schedule 2.

Professional and Executive Graduate Pricing

To support the strategic goal of increasing the number of students enrolled in professional and executive graduate degree programs, specifically at sites outside of the Blacksburg campus, the university proposes continuing the market-based pricing strategies in select programs. Programs eligible for these pricing strategies will display market demand that extends beyond the commonwealth and generate net revenue above the direct and indirect cost of instruction (therefore, above the average cost of education). Tuition is assessed on a per-credit basis, and, in some cases, a program-specific supplemental fee may also be approved. Professional and Executive Graduate tuition rates are detailed on Schedule 2.

Special Tuition Rate for Elementary and Secondary School Personnel

Reflecting the university's commitment to improving the quality of elementary and secondary education through the continued education of elementary and secondary school teachers, in 1984 a special tuition rate was created for elementary and secondary school teachers to attend graduate classes at Virginia Tech at a reduced tuition for purposes of recertification.

In 1989, the Board of Visitors approved two expansions of this program: First, all elementary and secondary school personnel became eligible for the reduced tuition rate. Second, all graduate hours qualify for the plan, not just recertification hours.

In 1999, the Board of Visitors approved an expansion of the special tuition rate to include undergraduate-level courses for vocational teachers who do not have a bachelor's degree.

In 2015-16, the Board of Visitors established a 25 percent discount, resulting in a special tuition rate for elementary and secondary school personnel of 75 percent of the corresponding campus tuition rates (excludes professional and executive programs). The university recommends continuing this policy. Tuition rates for elementary and secondary school personnel are detailed on Schedule 2.

Special Tuition Rate for Study-Abroad Programs

Providing study-abroad opportunities is an important strategy in strengthening Virginia Tech's international programs. The Board of Visitors previously approved a special tuition rate for students who participate in the various study-abroad programs operated by the university. The special tuition rate reflects instructional services that all students receive but excludes the cost of on-campus services.

In 2008-09 the study-abroad rate was set at 80 percent of the on-campus tuition rates. Consistent with prior years, the special tuition rate for study abroad would not apply for students studying at the Steger Center for International Scholarship. The university recommends continuing this policy. Tuition rates for study abroad programs are detailed on Schedule 2.

Average Cost of Education

The Commonwealth of Virginia has a longstanding policy for considering the per student educational cost for colleges and universities. This process identifies the average educational cost for all undergraduate and graduate students. The Average Cost of Education does not include professional programs such as veterinary medicine or the VTC School of Medicine.

Until 2004, the Average Cost of Instruction was utilized as the measure of per student instructional cost. The Average Cost of Instruction identified the instructional cost components within the Educational and General appropriation. In 2004, a new state policy replaced the Average Cost of *Instruction* with the Average Cost of *Education*. The Average Cost of Education is the instructional funding need generated by the base budget adequacy model.

The Average Cost of Education serves as the basis for ensuring that nonresident undergraduate and graduate students cover at least 100 percent of the average cost of their education as the General Assembly instructed colleges and universities in the 1991 legislative session. Nonresident tuition and mandatory E&G fee rates for the upcoming academic year are examined against the estimated Average Cost of Education in the prior year to ensure they cover 100 percent of the Average Cost of Education.

The following table presents Virginia Tech's estimate of the Average Cost of Education and coverage percentages by student category for 2025-26.

	2025-26 Estimate	
	Amount	% of Average
Average Cost of Education	*$ 23,248*	
Undergraduates*		
Residents	13,656	59%
Nonresidents	35,503	153%
Graduates*		
Residents	16,348	70%
Nonresidents	32,738	141%
Residency		
Residents		60%
Nonresidents		149%

Excess Credit Hour Surcharge

The 2006 General Assembly (§ 23.1-509 Code of Virginia) required the establishment of a surcharge to be assessed to all resident undergraduate students beginning in the semester after 125 percent of credit hours required for baccalaureate degrees have been completed.

The surcharge amount is the difference between the Average Cost of Education and the resident undergraduate tuition and mandatory E&G fees. In effect, the surcharge requires the resident student to pay the Average Cost of Education once they have exceeded 125 percent of degree requirements due to the limit of state subsidy. The resultant surcharge can be found on Schedule 2.

Educational and General Fees

Library Fee

In 2013, the university instituted an annual fee to support a robust scholarly environment to advance academic achievement. The Library Fee supports comprehensive library resources, online access to library resources for enrolled students, and enhancements to student library services. Part-time students pay half the full-time rate. The proposed rate can be found on Schedule 3.

Commonwealth Facility and Equipment Fee

The 2003 General Assembly required the establishment of a capital fee to be assessed to all nonresident students at institutions of higher education for 2003-04 to pay a portion of the debt service on bonds issued under the 21st Century Debt Program issued for construction of new facilities on campus. The 2004 General Assembly increased the nongeneral fund portion of lease payments for the 2004-06 allocation of equipment under the Higher Education Equipment Trust fund and stipulated the source of the nongeneral funds be an increase in fees for nonresident students at public institutions of higher education starting in 2005-06. Part-time students pay half the full-time rate. The proposed rate is detailed on Schedule 3.

Immigration Services Fee

To support administrative costs and maintain the quality of immigration services provided to degree-seeking undergraduate and graduate international students, the university implemented an Immigration Services Fee beginning with students enrolling in Fall 2018. This fee helps support costs uniquely associated with the administration of international student enrollment such as academic and financial verification, immigration regulation, Student and Exchange Visitor Program System (SEVIS) reporting requirements, financial processing fees, and compliance with federal regulations. International students on a domestic campus are assessed the fee. For international Graduate students on assistantship, the fee is remitted under Section 4-2.01b.6 of the Virginia Appropriation Act in recognition of their service to the University. The proposed rate can be found on Schedule 3.

Comprehensive Fee

The Student Activity Fee, Health Service Fee, Athletic Fee, Recreational Sports Fee, and Student Services Fee are collectively called the Comprehensive Fee. Individual descriptions are below for each component of the Comprehensive Fee. Part-time students pay one-half of each fee. The proposed comprehensive fee rates are detailed on Schedule 3.

Student Activity Fee

The Student Activity Fee covers student activities programming, supports the presence and practice of the arts across campus for all students, and supports student activities as determined by the Student Budget Board.

Health Service Fee

The Health Service Fee supports normal medical and nursing attention and counseling services provided by Schiffert Student Health Services, Cook Counseling Center, and Virginia Tech Rescue Squad operations.

Athletic Fee

A portion of the university’s athletic program operations is supported by the Athletic Fee. The student fee revenue covers the costs of athletic administration and sponsoring intercollegiate varsity sports that do not generate revenue. This fee entitles students to free admissions into sporting events, while recognizing that student seating is limited thus not guaranteed.

Recreational Sports Fee

The Recreational Sports Fee supports recreational programs and intramural and extramural sports club programs.

Student Services Fee

The Student Services Fee supports the issuance of Hokie Passport student IDs, the Division of Student Affairs, transportation services, and the campus wireless network. Students enrolled at Virginia Tech have unlimited access to bus transportation provided by the Blacksburg Transit System through a contract the university negotiates with the Town of Blacksburg each year. In addition to the convenience for students, the bus system and alternative transportation programs save the university considerable resources by lowering requirements for on-campus parking.

Comprehensive Fee Reduction for Students Studying at a Distance

In recognition of students living and studying away from the Blacksburg campus, and supporting the university's goal of affordability, the university continues to recommend a 50% reduction in the comprehensive fee as detailed in Schedule 3 for full-time students enrolled in an all-virtual schedule or engaged exclusively in research hours or independent study not located on campus. Students must certify that they will reside more than 50 miles from the Blacksburg campus for the entire semester. Part-time and special session enrollment may be eligible for a derivative reduction using the same eligibility requirements. Students maintained access to services provided virtually.

<u>Campus Fees</u>

Specialized campus fees are designed to cover costs that are unique to a specific campus. These fees are charges established for a specific campus which are beyond regular tuition and fees and are equal for students, both resident and nonresident. The Comprehensive Fee, which supports a number of services on the Blacksburg campus, is not charged to students in other locations. The proposed annual fees by location are detailed in schedule 3.

Northern Virginia Region Student Services Fees

Students attending courses in the Northern Virginia Region benefit from services including the infrastructure and use of the wireless network and the issuance and use of student identification cards.

Northern Virginia Region Transportation Services Fee

Through a collaboration with the Washington Metropolitan Area Transit Authority (WMATA), the Northern Virginia Region Transportation Services Fee supports eligible full-time students in the region with unlimited access to the Metrorail and Metrobus throughout the fall and/or spring semesters. Executive and part-time students are excluded from the program.

Roanoke Virginia Tech Carilion School of Medicine Comprehensive Fee

Students attending courses at the VTCSOM in Roanoke benefit from several of the traditional Comprehensive Fee services and are assessed a Student Services Fee, Health Services Fee, Student Government/Activity Fee, and Recreational Sports Fee.

Steger Center for International Scholarship Fee Rates

The Steger Center for International Scholarship (the Center) in Riva San Vitale, Switzerland, opened in the Fall of 1993. The Center serves as a resident educational facility for Virginia Tech students from many academic programs. Providing the opportunity for students to study abroad is an important strategy in strengthening the international programs of Virginia Tech, an objective of both the university and the commonwealth.

For purposes of financing the operations of the Center, two separate programs are maintained. First, all instructional costs are accounted for in the E&G program of the University Division. Second, the housing, dining, and student activity auxiliary enterprise programs are recorded within the university's Residential and Dining Hall System. The university's Swiss subsidiary corporation manages the day-to-day activities of the Center.

Students attending the Steger Center for International Scholarship are assessed the same tuition as on-campus students.

For housing and dining services at the Center, the proposed fees reflect the cost of living at the Center. Students are not required to pay the Blacksburg campus Comprehensive Fee while studying abroad. A student activity fee supports students with community-building social and recreational events and activities. The proposed annual student activity fee and room and board rate are detailed on Schedule 3.

Washington-Alexandria Architecture Center Fee

To support the cost of operations and ensure the quality of the Washington-Alexandria Architecture Center (WAAC), the college recommended that a supplemental fee be assessed to Virginia Tech and WAAC Consortium students in residence at the center on a per-semester basis. This E&G fee helps manage the cost of instructional facilities and equipment and support students in their academic efforts in the robust curricular environment of the WAAC. The proposed annual WAAC Center fee is detailed on Schedule 3.

Room and Board Charges

The university's Residential and Dining Programs serve students by providing on-campus housing and dining services. Generally, all entering freshmen must live on campus, and housing is available on a limited basis for returning students who choose to live on campus. The university establishes optional room and board rates based on a derivation of the Board-approved fee to appropriately reflect costs for Summer Session and summer conferences. All students living on campus must select a meal plan, except students who elect to reside in the Oak Lane – Phase IV housing development; off–campus students may participate in one of the meal plan programs.

Room Charges

The proposed annual room charges by location and room type are detailed on Schedule 3.

Living Learning Community Charge

The Living Learning Community charge is for students participating in Living Learning Communities on campus. These living and learning opportunities are available in select residence halls to those students who elect to participate. The proposed annual charge is detailed in Schedule 3.

Residential Telecommunications Charge

All students living on campus pay the Residential Telecommunications fee, which supports technology for students in campus residences, wired network connectivity, and wireless network coverage. The proposed annual charge is detailed in Schedule 3.

Board Charges

Students living on-campus currently have a choice of three types of flexible meal plans. The Flex Plan operates like a debit account with a designated amount for the purchase of food in the dining facilities. Students may deposit cash to their Flex accounts to increase their balance during the year. Consistent with the purchasing power of traditional meal plans, the intent of annual rate changes for the Flex Plans is to hold overall purchasing power constant from year to year. The proposed annual board charges are detailed on Schedule 3.

Supplemental Program Fees

Supplemental Program Fees are designed to cover costs unique to a specific discipline. To maintain the intent of the commonwealth's funding policies regarding the collection and allocation of tuition revenues, Program Fees are established for a specific program and are beyond regular tuition and fees and are equal for both resident and nonresident students. The proposed annual Supplemental Program fees are described below and detailed on Schedule 4.

Agriculture Fee

Students in the College of Agriculture are assessed a program fee to ensure that the college is able to continue to deliver innovative, high-quality instruction and maintain critical laboratory facilities and equipment that are unique to the program.

Architecture + Design Fee

Architecture, industrial design, interior design, and landscape architecture students in the School of Architecture + Design need access to appropriate studio equipment, academic programming, and technology. This fee supports costs that are unique to Architecture + Design students including the updating of equipment and materials for instructional studios, student projects, quality enhancements, and operational support of instructional studios.

Building Construction Fee

An annual program fee recognizes the differential cost of instruction for students in the university's Building Construction major. This fee is assessed to students admitted into the College of Architecture, Arts, and Design's Building Construction degree program before Fall 2023. This program transitioned to the College of Engineering in Fall 2023, and all Building Construction students admitted thereafter are subject instead to the Engineering fee.

Corps of Cadets Fee

Capital improvements have increased and enhanced the Corps of Cadets program space, supporting the recruitment and retention of high-quality students. To support these needed enhancements, the university established a Corps of Cadets fee beginning in Fall 2023, assessed to all members of the Corps of Cadets. Proceeds from the fee are used exclusively for Corps of Cadets program space improvements. The proposed annual rate is detailed on Schedule 4.

Engineering Fee

To ensure that engineering students continue to receive a state-of-the-art education in a quality learning environment, the university began recognizing the higher cost of instruction in the College of Engineering through a supplemental fee in Fall 2007. This fee supports costs that are unique to College of Engineering students including: the continuing need for modernization of instrumentation and materials for instructional laboratories and student projects, instructional space costs, effective maintenance of instrumentation and technology, quality enhancements, and operation of the instructional laboratories.

Master of Public Health Fee

The Master of Public Health fee provides resources for program-specific course development, faculty and leadership support, and instructional needs.

Master of Business Administration Fee

The Master of Business Administration (MBA) program fee aligns pricing of the Virginia Tech MBA program and provides funding for the college's academic program and enhanced career placement services for students. This fee applies to students in the EvMBA and OMBA programs yet is not assessed to Executive MBA students (who have a separate rate structure).

Master of Science in Business Administration (MSBA) Fee

To ensure the Pamplin College of Business MSBA programs in Business Analytics (BA) and Hospitality & Tourism Management (HTM) are positioned to continue to deliver high-quality instruction, provide experiential learning opportunities, and career services to students, the university recognizes the differential cost of the MSBA-BA and MSBA-HTM programs through the assessment of a supplemental E&G program fee.

Pamplin College of Business Fee

Delivering a high-quality business education requires the resources to address costs unique to the Pamplin College of Business. To ensure continued excellence in the Pamplin College of Business, a per-credit hour fee was established in 2013-14 to provide dedicated resources to be utilized exclusively for the Pamplin College of Business. Beginning in Fall 2023, students entering the college are assessed an annual program fee instead of the per-credit fee.

Veterinary Medicine Facility Fee

All Veterinary Medicine students are assessed a facility fee. Proceeds from the facility fee are used exclusively for College of Veterinary Medicine instructional space improvements. The proposed annual rate is detailed on schedule 4.

Course Specific Charges

The university may establish course specific charges for study abroad costs, field trips, course materials, laboratory costs, or other extraordinary costs tied to individual courses. The university avoids establishing course charges for materials and laboratory charges in programs with specialized program fees.

Professional & Executive Graduate Degree Program Fees

While similar to specialized graduate program fees, the industry standard for this type of professional education program is to be quoted in terms of a total cost for the entire program period. Programs generally span from 12 to 24 months. A new multi-year total cost is developed for each incoming cohort. The annual program fees are established as the difference between applicable tuition and fees and the total cost during the cohort period. The program fee for a cohort's second year is established when tuition and fee rates are set for that year; this can be impacted by several factors including cost assignments by the General Assembly but are designed to honor the previously quoted total cost of the entire program period. Each program and its total cost proposal are summarized on Schedule 4.

Executive Master of Natural Resources (XMNR) Pricing

In 2010-11, the College of Natural Resources expanded the existing Master of Natural Resources program delivered in the National Capital Region by adding an executive format cohort. The program is an accelerated graduate degree for working professionals with significant management experience. The program utilizes the Professional Graduate tuition rate, Library Fee, Facility & Equipment Fee, and a program fee to achieve the total program cost. Tuition is assessed on all credits taken.

Ph.D. in Executive Business Research (BXBR) Pricing

The Pamplin College of Business launched a new Ph.D. in Business with a concentration in Executive Business Research that started in Fall 2016. The three-year program is administered through the College's Falls Church facility in the National Capital Region and provides business professionals with rigorous training in analytical and research techniques, exposure to the scholarly literature in business, and dissertation research experience that is translational in nature. The degree follows a three-year plan of study and is assessed Executive Graduate tuition, Library Fee, Facility & Equipment Fee, and a BXBR program fee on a per credit hour basis. BXBR students continuing beyond the scheduled three years will be assessed Executive Graduate Tuition and fees and the BXBR program fee on a per credit hour basis.

Graduate Tuition Pricing Basis

As the university continues to develop and offer targeted educational opportunities to meet student and market demand, the university may elect to utilize per-credit hour tuition pricing in lieu of the traditional full/part-time pricing approach in situations where such pricing better aligns with the program delivery model. A leading example is accelerated master degrees where credit hours delivered significantly exceeds the level planned through traditional full-time programs.

Summary of Tuition and Fee Rates

A summary of the recommended tuition rates is shown on Schedules 1 and 2, and a summary of fees is attached on Schedules 3 and 4. Finally, the total mandatory costs for students to attend Virginia Tech are detailed on Schedule 5 for undergraduate students, Schedule 6 for graduate students, and Schedule 7 for medical and veterinary students.

RECOMMENDATION:

The board approves tuition, fee, room, and board rates as recommended effective Fall semester 2025.

March 24, 2025

Schedule 1

VIRGINIA TECH
2025-26 TUITION RECOMMENDATIONS
SUMMARY OF ANNUAL CHARGES

RECOMMENDATION

	2024-25 Charge	Proposed 2025-26	Rate Increase $	Rate Increase %
Undergraduate Students				
Resident	$13,153	$13,540	$387	2.9%
Nonresident	34,376	35,387	1,011	2.9%
Graduate Students				
On-Campus Programs				
Resident	15,768	16,232	464	2.9%
Nonresident	31,690	32,622	932	2.9%
Off-Campus Programs				
Resident	17,446	17,959	513	2.9%
Nonresident	33,918	34,915	997	2.9%
Graduate Candidacy Status (a)				
Resident On-Campus	13,403	13,797	394	2.9%
Nonresident On-Campus	26,937	27,729	792	2.9%
Resident Off-Campus	14,829	15,265	436	2.9%
Nonresident Off-Campus	28,830	29,678	848	2.9%
Veterinary Medicine				
Virginia/Maryland	24,877	25,598	721	2.9%
Nonresident	56,881	58,531	1,650	2.9%
VTC School of Medicine	60,406	62,158	1,752	2.9%

(a) Reduced tuition rate for doctoral students taking research and disertation hours after completing two years of course work and passing their preliminary exam.

VIRGINIA TECH
2025-26 SPECIAL TUITION RATES
SUMMARY OF HOURLY RATES

	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Regular Part-Time Students (a)				
Undergraduate Students				
Resident	$548.00	$564.25	$ 16.25	3.0%
Nonresident	1,432.25	1,474.50	42.25	2.9%
Graduate Students				
On-Campus Programs				
Resident	876.00	901.75	25.75	2.9%
Nonresident	1,760.50	1,812.25	51.75	2.9%
Off-Campus Programs				
Resident	969.25	997.75	28.50	2.9%
Nonresident	1,884.25	1,939.75	55.50	2.9%
Summer & Winter Sessions				
On-Campus Programs				
Undergraduate Resident	493.25	507.75	14.50	2.9%
Undergraduate Nonresident	1,289.00	1,327.00	38.00	2.9%
Program Specific Online Graduate				
Tier 1 Online Master of Business Administration (OMBA)	1,150.00	1,183.00	33.00	2.9%
Tier 2 Master of Information Technology (MIT) Master of Agricultural and Applied Economics (MSAAEC) Degree/Certificate	1,075.00	1,106.00	31.00	2.9%
Tier 3 Master of Agriculture and Life Sciences (OMALS) Construction Engineering for Infrastructure Projects Certificate (CEIC)	975.00	1,003.00	28.00	2.9%
Tier 4 Master of Natural Resources (MNR) Graduate Certificate in Local Government Mgt (LGMC)	930.00	970.00	40.00	4.3%
Professional and Executive Graduate				
Professional Graduate Tuition Rate (EvMBA, MSBA-HTM, XMNR)	1,100.00	1,132.00	32.00	2.9%
Executive Graduate Tuition Rate (BXBR)	1,879.50	1,934.75	55.25	2.9%
School Personnel				
Undergraduate Resident	411.00	423.25	12.25	3.0%
Graduate Resident				
Blacksburg Campus	657.00	676.25	19.25	2.9%
Extended Campus	727.00	748.25	21.25	2.9%
Study Abroad Programs (b)				
Undergraduate Resident	438.50	451.50	13.00	3.0%
Undergraduate Nonresident	1,145.75	1,179.50	33.75	2.9%
Graduate Resident	700.75	721.50	20.75	3.0%
Graduate Nonresident	1,408.50	1,449.75	41.25	2.9%
Excess Credit Hour Surcharge	$299.50	$319.75	20.25	6.8%

(a) Part-time tuition charges for all student categories are derived from the full-time rate and are directly related to the number of credit hours taken. For tuition calculation purposes, the full-time undergraduate semester rate is divided by 12 credit hours and the full-time graduate student semester rate is divided by 9 hours.

(b) Tuition rates for study abroad do not include students studying at the Steger Center for International Scholarship.

VIRGINIA TECH
2025-26 FEES AND USER CHARGES
SUMMARY OF ANNUAL CHARGES

	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Educational and General Fee				
Library Fee	$ 113	$ 116	$ 3	2.7%
Commonwealth Facility & Equipment Fee (Nonresident Students)	604	604	-	0.0%
Immigration Services Fee (International Students)	550	550	-	0.0%
Comprehensive Fee				
Student Activity Fee	559	520	(39)	-7.0%
Health Service Fee	646	670	24	3.7%
Athletic Fee	437	732	295	67.5%
Recreational Sports Fee	400	413	13	3.3%
Student Services Fee	642	535	(107)	-16.7%
Total Comprehensive Fee	2,684	2,870	186	6.9%
Comprehensive Fee Reduction: Online & Absentia students (Per Semester)	(671)	(718)		
Campus Fees				
Northern Virginia Region Student Services	197	217	20	10.2%
Northern Virginia Region Transportation Services	329	329	-	0.0%
VTCSOM Student Services Fee	197	217	20	10.2%
VTCSOM Health Services Fee	608	632	24	3.9%
VTCSOM Student Govt/Activity Fee	185	185	-	0.0%
VTCSOM Recreational Sports Fee	400	413	13	3.3%
Steger Center Student Activity Fee (Per Semester)	150	150	-	0.0%
Steger Center Room & Board (Per Semester)	7,700	7,925	225	2.9%
Washington-Alexandria Architecture Center Fee (Per Semester)	300	300	-	0.0%
Room Charges				
Category A (Non-Air Conditioned Multiple)	6,371	6,638	267	4.2%
Category B (Air Conditioned Multiple)	8,877	9,250	373	4.2%
Category C (Air Conditioned Single)	12,133	12,644	511	4.2%
Living Learning Community Charge	100	100	-	0.0%
Residential Telecommunications Charge	394	394	-	0.0%
Board Charges				
Major Flex Plan	5,593	5,868	275	4.9%
Mega Flex Plan	5,999	6,294	295	4.9%
Premium Flex Plan	6,419	6,736	317	4.9%

VIRGINIA TECH
2025-26 SUPPLEMENTAL PROGRAM FEES
SUMMARY OF ANNUAL CHARGES

		2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Program Fees					
Agriculture & Life Sciences Supplemental Fee					
Undergraduate/Graduate	Full-time	$ 750.00	$ 750.00	-	0.0%
	Part-time	375.00	375.00	-	0.0%
Architecture + Design Supplemental Fee					
Undergraduate/Graduate	Full-time	1,500.00	1,500.00	-	0.0%
	Part-time	750.00	750.00	-	0.0%
Building Construction Supplemental Fee					
CAUS – Undergraduate/Graduate	Full-time	1,500.00	1,500.00	-	0.0%
(Admitted to AAD spring 2023 and prior)	Part-time	750.00	750.00	-	0.0%
Corps of Cadets Fee	Full-time	480.00	480.00	-	0.0%
Engineering Supplemental Fee					
Undergraduate/Graduate	Full-time	2,000.00	2,000.00	-	0.0%
(incl BC majors admitted to COE Fall 2023 and beyond)	Part-time	1,000.00	1,000.00	-	0.0%
Master of Public Health	Full-time	525.00	525.00	-	0.0%
	Part-time	262.50	262.50	-	0.0%
Master of Business Administration (EvMBA, OMBA)	Per Credit Hour	175.00	175.00	-	0.0%
Master of Science in Business Administration (MSBA)	Per Credit Hour	175.00	175.00	-	0.0%
Concentrations in Business Analytics (BA) and Hospitality & Tourism Management (HTM)					
Pamplin College of Business Supplemental Fee					
Undergraduate-Admitted Fall 2023 and Beyond	Full-time	2,550.00	2,550.00	-	0.0%
	Part-time	1,275.00	1,275.00	-	0.0%
Undergraduate 4000 Level Courses	Per Credit Hour		105.00		
Veterinary Medicine Facility Fee		1,200.00	1,200.00	-	0.0%

Professional/Executive Program Rates

Executive Master of Natural Resources (XMNR) (a)

Spring 2025 Starting Cohort	Total Program	Spring 2025	Summer 2025	Fall 2025
XMNR Total Cost	$41,500.00	$15,106.25	$8,827.00	$17,566.75
(less) Professional Graduate Tuition & Fees		(13,558.50)	(6,779.25)	(14,019.00)
XMNR Fee – 2025 Cohort		1,547.75	2,047.75	3,547.75

Spring 2026 Starting Cohort	Total Program	Spring 2026	Summer 2026	Fall 2026
XMNR Total Cost	$41,500.00	$15,166.50	$8,694.50	$17,639.00
(less) Professional Graduate Tuition & Fees		(13,944.00)	(6,972.00)	TBD
XMNR Fee – 2026 Cohort		1,222.50	1,722.50	TBD

		2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Executive Ph.D. in Business Research (BXBR) Fee	Per Credit Hour	126.25	126.25	-	0.0%

(a) Executive Model Graduate Degree Program fees are designed to allocate a total cost over multiple years of the program, and utilize a fee to balance the difference between the quoted price and traditional tuition and fees. Changes from year to year do not necessarily reflect a change in total program cost.

Schedule 5

VIRGINIA TECH
TOTAL COST TO STUDENTS
Comparison of 2024-25 and 2025-26 Annual Charges

UNDERGRADUATE STUDENTS

	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Resident				
Tuition	$ 13,153	$ 13,540	$ 387	2.9%
E&G Fees	113	116	3	2.7%
Subtotal Tuition and E & G Fee	13,266	13,656	390	2.9%
Comprehensive Fee	2,684	2,870	186	6.9%
Total All Residents	**15,950**	**16,526**	**576**	**3.6%**
Room (Catagory A Room & Telecommunications Fee) [(a)]	6,765	7,032	267	3.9%
Board (Major Flex Plan) [(a)]	5,593	5,868	275	4.9%
Subtotal Room and Board	12,358	12,900	542	4.4%
Total Cost for Residents Living on Campus	28,308	29,426	1,118	3.9%
Nonresident				
Tuition	34,376	35,387	1,011	2.9%
E&G Fees	717	720	3	0.4%
Subtotal Tuition and E & G Fee	35,093	36,107	1,014	2.9%
Comprehensive Fee	2,684	2,870	186	6.9%
Total All Nonresidents	**37,777**	**38,977**	**1,200**	**3.2%**
Room (Catagory A Room & Telecommunications Fee) [(a)]	6,765	7,032	267	3.9%
Board (Major Flex Plan) [(a)]	5,593	5,868	275	4.9%
Subtotal Room and Board	12,358	12,900	542	4.4%
Total Cost for Nonresidents Living on Campus	50,135	51,877	1,742	3.5%

(a) The majority of incoming students are housed in these residence halls and choose the Major Flex plan.

VIRGINIA TECH
TOTAL COST TO STUDENTS
Comparison of 2024-25 and 2025-26 Annual Charges

	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
GRADUATE STUDENTS				
On-Campus Programs				
Resident				
Tuition	$ 15,768	$ 16,232	$ 464	2.9%
E&G Fees	113	116	3	2.7%
Subtotal Tuition and E & G Fee	15,881	16,348	467	2.9%
Comprehensive Fee	2,684	2,870	186	6.9%
Total Cost for Residents	**18,565**	**19,218**	**653**	**3.5%**
Nonresident				
Tuition	31,690	32,622	932	2.9%
E&G Fees	717	720	3	0.4%
Subtotal Tuition and E & G Fee	32,407	33,342	935	2.9%
Comprehensive Fee	2,684	2,870	186	6.9%
Total Cost for Nonresidents	**35,091**	**36,212**	**1,121**	**3.2%**
Off-Campus Programs [(a)]				
Resident				
Tuition	17,446	17,959	513	2.9%
E&G Fees	113	116	3	2.7%
Total Tuition and E & G Fee	**17,559**	**18,075**	**516**	**2.9%**
Nonresident				
Tuition	33,918	34,915	997	2.9%
E&G Fees	717	720	3	0.4%
Total Tuition and E & G Fee	**34,635**	**35,635**	**1,000**	**2.9%**

(a) Student services and fees vary by campus location.

VIRGINIA TECH
TOTAL COST TO STUDENTS
Comparison of 2024-25 and 2025-26 Annual Charges

	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
VETERINARY MEDICINE				
Virginia/Maryland Students				
Tuition	$ 24,877	$ 25,598	$ 721	2.9%
E&G Fees	113	116	3	2.7%
Subtotal Tuition and E & G Fee	24,990	25,714	724	2.9%
Vet Med Facility Fee	1,200	1,200	-	0.0%
Comprehensive Fee	2,684	2,870	186	6.9%
Total Cost for Virginia/Maryland Students	**28,874**	**29,784**	**910**	**3.2%**
Nonresident Students				
Tuition	56,881	58,531	1,650	2.9%
E&G Fees	717	720	3	0.4%
Subtotal Tuition and E & G Fee	57,598	59,251	1,653	2.9%
Vet Med Facility Fee	1,200	1,200	-	0.0%
Comprehensive Fee	2,684	2,870	186	6.9%
Total Cost for Nonresident Students	**61,482**	**63,321**	**1,839**	**3.0%**
VIRGINIA TECH CARILION SCHOOL OF MEDICINE				
Tuition	60,406	62,158	1,752	2.9%
E&G Fees	113	116	3	2.7%
Subtotal Tuition and E & G Fee	60,519	62,274	1,755	2.9%
VTCSOM Comprehensive Fee	1,390	1,447	57	4.1%
Total Cost for VTCSOM Students	**61,909**	**63,721**	**1,812**	**2.9%**

The Public Comment Period for Proposed Tuition and E&G Fees increases will end on March 17, 2025. All written comments received through that date will then be compiled and posted here.

Financial Performance Report – Operating and Capital

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

July 1, 2024 to December 31, 2024

The Financial Performance Report of income and expenditures is prepared from two sources: actual accounting data as recorded at Virginia Tech and the annual budgets which are also recorded in the university accounting system. The actual accounting data reflect the modified accrual basis of accounting, which recognizes revenues when received rather than when earned and commitments to buy goods and services as encumbrances when obligated and as an expenditure when paid. The Original Budget was approved by the Board of Visitors at the June meeting. The Adjusted Budget reflects adjustments to incorporate actual experience or changes made during the fiscal year. These changes are presented for review by the Finance and Resource Management Committee and the Board of Visitors through this report. Where adjustments impact appropriations at the state level, the university coordinates with the Department of Planning and Budget to ensure appropriations are reflected accurately.

The year-to-date budget is prepared from historical data which reflects trends in expenditures from previous years as well as known changes in timing. Differences between the actual income and expenditures and the year-to-date budget may occur for a variety of reasons, such as an accelerated or delayed flow of documents through the accounting system, a change in spending patterns at the college level, or increases in revenues for a particular area.

Quarterly budget estimates are prepared to provide an intermediate measure of income and expenditures. Actual revenues and expenditures may vary from the budget estimates. The projected year-end budgets are, however, the final measure of operating budget performance.

Capital program performance is measured against the Total Project Budget. The Total Project Budget amounts reflect appropriations and authorizations established by the State or Board of Visitors for each capital project. These amounts are recorded in the accounting system with revenue and expenditure budgets upon the effective date of each project, which normally occurs on July 1 or after Board of Visitors approval. Under restructuring authorities, university administration may make minor changes to a Total Project Budget, within ten percent, and the revised Total Project Budget is shown on the subsequent quarterly report. The Cumulative Expenditures reflect lifetime-to-date activity until a project is complete, and a project's life spans multiple fiscal years. The Annual Budgets are estimates of expected activity for a 12-month portion of the life of a project. Spending pace for a project may periodically slow or accelerate during a year for a variety of reasons including shifts in construction start dates, contractor performance or billing cycles, and supply chain disruptions. The Annual Budgets are revised accordingly and shown on the subsequent quarterly report.

RECOMMENDATION:

That the report of income and expenditures for the University Division and the Cooperative Extension/Agricultural Experiment Station Division for the period of July 1, 2024 through December 31, 2024 and the Capital Outlay report be accepted.

March 24, 2025

OPERATING BUDGET
2024-25
Dollars in Thousands

	July 1, 2024 to December 31, 2024			Annual Budget for 2024-25		
	Actual	Budget	Change	Original	Adjusted	Change
Educational and General Programs						
University Division						
Revenues						
General Fund	$132,985	$132,985	$0	$288,480	$294,023	$5,543 (7)
Tuition and Fees	409,208	407,668	1,540 (1)	736,209	733,609	-2,600 (8)
All Other Income	35,628	35,257	371 (2)	59,850	62,519	2,669 (9)
Total Revenues	$577,821	$575,910	$1,911	$1,084,539	$1,090,151	$5,612
Expenses						
Academic Programs	$-343,375	$-344,616	$1,241	$-653,902	$-657,286	$-3,384
Support Programs	-220,050	-222,243	2,193	-430,637	-432,865	-2,228
Total Expenses	$-563,425	$-566,859	$3,434	$-1,084,539	$-1,090,151	$-5,612 (7,8,9)
NET	$14,396	$9,051	$5,345	$0	$0	$0
CE/AES Division						
Revenues						
General Fund	$45,816	$45,816	$0	$92,942	$92,847	$-95 (10)
Federal Appropriation	8,038	8,348	-310 (3)	15,647	17,761	2,114 (11)
All Other Income	901	793	108	1,426	1,601	175 (12)
Total Revenues	$54,755	$54,957	$-202	$110,015	$112,209	$2,194
Expenses						
Academic Programs	$-54,933	$-54,460	$-473 (3)	$-101,199	$-103,217	$-2,018
Support Programs	-6,148	-6,648	500	-8,816	-8,992	-176
Total Expenses	$-61,081	$-61,108	$27	$-110,015	$-112,209	$-2,194 (10,11,12)
NET	$-6,326	$-6,151	$-175	$0	$0	$0
Auxiliary Enterprises						
Revenues	$284,724	$278,554	$6,170 (4)	$480,384	$477,863	$-2,521 (4)
Expenses	-242,417	-253,022	10,605 (4)	-459,984	-479,597	-19,613 (4)
Reserve Drawdown/(Deposit)	-42,307	-25,532	-16,775 (4)	-20,400	1,734	22,134 (4)
NET	$0	$0	$0	$0	$0	$0
Sponsored Programs						
Revenues	$258,123	$232,627	$25,496 (5)	$510,079	$510,079	$0
Expenses	-271,864	-257,373	-14,491 (5)	-510,079	-510,079	0
Reserve Drawdown/(Deposit)	13,741	24,746	-11,005	0	0	0
NET	$0	$0	$0	$0	$0	$0
Student Financial Assistance						
Revenues	$31,365	$30,919	$446	$63,337	$64,849	$1,512 (13)
Expenses	-31,079	-31,413	334	-63,337	-64,849	-1,512 (13)
Reserve Drawdown/(Deposit)	0	0	0	0	0	0
NET	$286	$-494	$780	$0	$0	$0
All Other Programs *						
Revenue	$5,193	$5,797	$-604 (6)	$18,211	$18,018	$-193 (14)
Expenses	-5,694	-7,666	1,972 (6)	-18,211	-19,765	-1,554 (14)
Reserve Drawdown/(Deposit)	501	1,869	-1,368 (6)	0	1,747	1,747 (14)
NET	$0	$0	$0	$0	$0	$0
Total University						
Revenues	$1,211,981	$1,178,764	$33,217	$2,266,565	$2,273,169	$6,604
Expenses	-1,175,560	-1,177,441	1,881	-2,246,165	-2,276,650	-30,485
Reserve Drawdown/(Deposit)	-28,065	1,083	-29,148	-20,400	3,481	23,881
NET	$8,356	$2,406	$5,950	$0	$0	$0

* All Other Programs include federal work study, surplus property, local funds, and unique military activities.

OPERATING BUDGET

1. Tuition and Fee revenues are slightly higher than projected due to timing of payments.
2. University Division All Other Income revenues are higher than projected due to higher than projected continuing education activities.
3. The budget for federal revenue is established to match projected allotments from the federal government that are expected to be drawn down during the state fiscal year. All expenses in federal programs are covered by drawdowns of federal revenue up to allotted amounts. Federal revenue in the Cooperative Extension and Agriculture Experiment Station Division is lower than projected due to timing of federal drawdowns.
4. Quarterly and projected annual variances are explained in the Auxiliary Enterprises section of this report.
5. Historical patterns have been used to develop a measure of the revenue and expenditure activity for Sponsored Programs. Actual revenues and expenses may vary from the budget estimates because projects are initiated and concluded on an individual basis without regard to fiscal year. Total sponsored research revenues are higher than projected. The sponsored research expenditures are 10.9% higher than December 31, 2023.
6. Revenues and Expenses for All Other Programs were lower than projected due to lower than projected Surplus Property activity.
7. The annual University Division general fund budget was increased $5.4 million for the VT share of Statewide one-time Virginia Military Survivors and Dependents Education Program (VMSDEP) waiver pool. The budget was increased $0.2 million for central appropriation adjustments. The budget was decreased $0.1 million for the Tech Talent master’s MOU adjustment. The corresponding expenditure budgets have been adjusted accordingly.
8. The annual budget for Tuition & Fees was decreased $2.1 million for higher than projected VMSDEP waiver activity and $1.0 million for one-time student financial aid support. To reflect updated enrollment level and mix, the budget for undergraduate was increased $1.7 million, for graduate increased $0.8 million, for professional programs decreased $0.7 million, and for summer 2024 decreased $1.3 million. The corresponding expenditure budgets have been adjusted accordingly.
9. The University Division All Other Programs Income budget was increased $2.0 million to reflect increased activity in the CVM Veterinary Teaching Hospital and $0.7 million for the finalization of the VTCSOM budget. The corresponding expenditure budgets have been adjusted accordingly.
10. The annual budget for Cooperative Extension/Agriculture Experiment Station Division General Fund decreased $0.1 million for the general fund share of state compensation programs and fringe benefit rate changes. The corresponding expenditure budgets have been adjusted accordingly.
11. The federal revenue budget in the Cooperative Extension/Agricultural Experiment Station Division has been increased $2.1 million for the carryover of federal funds to FY25. The corresponding expenditure budgets have been adjusted accordingly.
12. The All Other Income budget in the Cooperative Extension/Agriculture Experiment Station Division has been increased $0.2 million for higher than projected VCE self-generated revenue. The corresponding expenditure budgets have been adjusted accordingly.
13. The student financial assistance revenue and expenditure budgets were increased $0.3 million for the FY25 Pell Grant Initiative Programs and $1.2 million to support the nongeneral fund scholarship program.
14. The projected annual budgets for All Other Programs were decreased $0.2 million to finalize budgets. The projected annual expense budgets were increased $1.7 million for outstanding 2023-24 commitments that were initiated but not completed before June 30, 2024.

AUXILIARY ENTERPRISES
Dollars in Thousands

	July 1, 2024 to December 31, 2024			Annual Budget for 2024-25		
	Actual	Budget	Change	Original	Adjusted	Change
Residence and Dining Halls *						
Revenues	$101,706	$99,720	$1,986 (1)	$184,819	$179,749	$-5,070 (4)
Expenses	-85,500	-90,794	5,294 (1)	-179,256	-180,757	-1,501 (4,5)
Reserve Drawdown/(Deposit)	-16,206	-8,926	-7,280 (1)	-5,563	1,008	6,571 (4,5)
Net	$0	$0	$0	$0	$0	$0
Parking and Transportation						
Revenues	$17,593	$16,308	$1,285 (2)	$26,078	$26,078	$0
Expenses	-11,486	-12,279	793	-23,789	-25,237	-1,448 (4,5)
Reserve Drawdown/(Deposit)	-6,107	-4,029	-2,078 (2)	-2,289	-841	1,448 (4,5)
Net	$0	$0	$0	$0	$0	$0
Telecommunications Services						
Revenues	$17,288	$16,766	$522	$23,347	$23,587	$240 (4)
Expenses	-10,545	-11,017	472	-22,557	-26,206	-3,649 (4,5)
Reserve Drawdown/(Deposit)	-6,743	-5,749	-994	-790	2,619	3,409 (4,5)
Net	$0	$0	$0	$0	$0	$0
**University Services * ** **						
Revenues	$39,554	$39,144	$410	$69,450	$69,450	$0
Expenses	-40,077	-43,133	3,056 (3)	-68,664	-72,262	-3,598 (4,5)
Reserve Drawdown/(Deposit)	523	3,989	-3,466 (3)	-786	2,812	3,598 (4,5)
Net	$0	$0	$0	$0	$0	$0
Intercollegiate Athletics *						
Revenues	$66,722	$66,484	$238	$101,540	$102,985	$1,445 (4,7)
Expenses	-61,685	-61,231	-454	-96,923	-100,885	-3,962 (4,5,7)
Reserve Drawdown/(Deposit)	-5,037	-5,253	216	-4,617	-2,100	2,517 (4,5,7)
Net	$0	$0	$0	$0	$0	$0
Electric Service *						
Revenues	$23,486	$22,862	$624	$48,576	$49,415	$839 (4)
Expenses	-23,610	-24,500	890	-46,410	-49,096	-2,686 (4,5)
Reserve Drawdown/(Deposit)	124	1,638	-1,514	-2,166	-319	1,847 (4,5)
Net	$0	$0	$0	$0	$0	$0
Inn at VT/Skelton Conf. Center						
Revenues	$7,725	$6,855	$870	$14,171	$14,171	$0
Expenses	-7,511	-7,815	304	-12,788	-14,277	-1,489 (5)
Reserve Drawdown/(Deposit)	-214	960	-1,174	-1,383	106	1,489 (5)
Net	$0	$0	$0	$0	$0	$0
Other Enterprise Functions ***						
Revenues	$10,650	$10,415	$235	$12,403	$12,428	$25 (4)
Expenses	-2,003	-2,253	250	-9,597	-10,877	-1,280 (4,5,8)
Reserve Drawdown/(Deposit)	-8,647	-8,162	-485	-2,806	-1,551	1,255 (4,5,8)
Net	$0	$0	$0	$0	$0	$0
TOTAL AUXILIARIES						
Revenues	$284,724	$278,554	$6,170	$480,384	$477,863	$-2,521
Expenses	-242,417	-253,022	10,605	-459,984	-479,597	-19,613
Reserve Drawdown/(Deposit)	-42,307	-25,532	-16,775	-20,400	1,734	22,134
Net	$0	$0	$0	$0	$0	$0

* University Systems include Dormitory and Dining Hall System, University Services System, Intercollegiate Athletics System, and Electric Service System. The Systems were created to provide assurance to bond holders that system revenues are pledged for the payment of debt service and to allow for dedicated repair and replacement that are not subject to liens of any creditor of the university.

** University Services System includes Career & Professional Development, Center for the Arts, Health Services, Recreational Sports, Student Engagement & Campus Life, Cultural and Community Centers, Student Organizations, and the VT Rescue Squad.

*** Other Enterprise Functions include Hokie Passport, Library Photocopy, Licensing & Trademark, Little Hokie Hangout, New Student and Family Programs, Pouring Rights, Software Sales, Tailor Shop and Clearing Accounts.

AUXILIARY ENTERPRISE BUDGET

1. Revenues in Residence and Dining Halls are higher than projected due to higher than budgeted residence hall occupancy and summer conferences. Expenses are lower than projected due to timing of expenses.
2. Revenues in Parking and Transportation Services are higher than projected due to higher than budgeted permit and self-generated revenues.
3. Expenses for the University Services System are lower than projected due to timing of operating expenses.
4. The annual revenue and expense budgets for Residence and Dining Halls were decreased $6.3 million for lower dining business volume.
5. In June 2024, the annual revenue, expense, and reserve budgets for Auxiliary Enterprises were adjusted for technical alignments and finalization of fixed cost estimates.
6. The annual expense budget for Auxiliary Enterprises were increased $22.1 million for outstanding 2023-24 commitments and projects that were initiated but not completed before June 30, 2024.

Auxiliary Enterprise	**Outstanding Commitments**
Residence and Dining Halls	$ 6,575,218
Parking and Transportation	1,564,851
Telecommunication Services	3,407,884
University Services System	4,241,856
Intercollegiate Athletics	2,513,098
Electric Service	1,097,019
Inn at Virginia Tech	1,489,009
Other Enterprise Functions	1,252,065
Totals	**$ 22,141,000**

7. The annual revenue and expense budgets for Intercollegiate Athletics were increased $1.3 million to accommodate the football team's participation in the Duke's Mayo Bowl.
8. The annual expense and reserve budgets for Other Enterprise Functions were increased for scholarship expenses in Licensing and Trademark.

CAPITAL OUTLAY PROJECTS
AUTHORIZED AS OF DECEMBER 31, 2024
Dollars in Thousands

		FISCAL YEAR ACTIVITY		TOTAL PROJECT BUDGET					
	PROJECT INITIATED	ANNUAL BUDGET	YTD EXPENDITURES	STATE SUPPORT	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENDITURES	
EDUCATIONAL AND GENERAL PROJECTS									
<u>Design Phase</u>									
Planning: New Business Building	Apr 2022	$ 6,300	$ 1,815	$ -	$ 8,000	$ -	$ 8,000	2,987	(1)
Expand VTC SOM & Fralin Biomedical Research Institute	Sept 2023	3,500	611	-	9,000	-	9,000	630	(2)
Improve Center Woods Complex	Nov 2023	829	268	14,404	296	-	14,700	285	(3)
Improve Campus Accessibility	Jul 2024	250	-	8,000	-	-	8,000	0	(4)
Planning: CVM Teaching Hospital Renovation & Expansion	Aug 2024	500	3	-	4,300	-	4,300	3	(5)
Planning: Improvements to Eastern Shore AREC	Sept 2024	300	-	1,515	-	-	1,515	0	(6)
Planning: Repair Derring Hall Envelope	Oct 2024	300	-	1,624	-	-	1,624	0	(7)
Planning: Rescue Squad Facility	Nov 2024	400	-	-	2,000	-	2,000	0	(8)
<u>Construction Phase</u>									
Maintenance Reserve	On-going	18,580	10,319	20,645	-	-	20,645	10,319	(9)
Livestock & Poultry Research Facilities, Phase I	Oct 2016	4,000	1,772	31,764	-	-	31,764	26,762	(10)
Building Envelope Improvements	Aug 2022	8,000	571	-	13,580	33,620	47,200	6,406	(11)
Life, Health, Safety, Accessibility, & Code Compliance	Jul 2020	2,800	1,792	10,400	-	-	10,400	7,949	(12)
Mitchell Hall (Replace Randolph Hall)	Jul 2020	30,000	8,649	264,453	27,828	-	292,281	24,512	(13)
<u>Equipment and Special Initiatives</u>									
Fralin Biomedical Research Institute Equipment	Jul 2020	245	19	18,133	-	-	18,133	17,907	(14)
Equipment for Workforce Development	May 2021	5,000	1,541	42,437	-	-	42,437	13,685	(15)
<u>Close-Out</u>									
Corps Leadership and Military Science Building	Jun 2019	2,036	770	-	21,600	30,400	52,000	50,351	(16)
Hitt Hall	Apr 2017	9,112	6,053	-	33,600	51,400	85,000	79,938	(17)
Undergraduate Science Laboratory Building	Jul 2017	16,000	9,642	90,412	-	-	90,412	80,612	(18)
Innovation Campus - Academic Building	Jul 2019	40,895	22,053	177,164	80,336	44,636	302,136	257,765	(19)
TOTAL EDUCATIONAL AND GENERAL PROJECTS		$ 149,047	$ 65,878	$ 680,950	$ 200,540	$ 160,056	$ 1,041,547	$ 580,112	

Education and General Projects

1. Planning: New Business Building: This planning project will design a 92,300 gross square foot building for the Pamplin College of Business. Working drawings are underway.

2. Planning: Expand Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute: This planning project will design a new 100,000 gross square foot building for the VT-C School of Medicine, 25,000 gross square foot ground level parking, and renovate 51,000 gross square feet of the existing School of Medicine and Research Institute building to be backfilled by the Fralin Biomedical Research Institute. Schematic design is underway.

3. Improve Center Woods Complex: This project will demolish the existing 12 facilities that have surpassed their useful life and construct 25,900 GSF of research laboratories, research support spaces, equipment storage and offices. Construction was authorized during the 2023 General Assembly Session. The total project budget reflects the capital budget request submission and may be revised by the Commonwealth's Six-Year Capital Advisory Committee (Six-PAC) at the completion of preliminary design. Schematic design is complete and reconciliation of cost estimates is underway.

4. Improve Campus Accessibility: This project improves pedestrian connectors to ensure accessible service in the southeastern zone of campus project and targets the section of the infinite loop from East Eggleston Hall to Dietrick Hall. Procurement for AE services is complete and schematic design is underway.

5. Planning: College of Veterinary Medicine Teaching Hospital Renovation & Expansion: This planning project will design a new 32,000 gross square foot addition and 25,000 gross square foot renovation for the College of Veterinary Medicine Teaching Hospital's academic program. Procurement for AE services is in process.

6. Planning: Improvements to Eastern Shore AREC: This planning project will design a 13,500 square foot services complex to support research at the Eastern Shore AREC and renovate the main building. Procurement for AE services is in process.

7. Planning: Repair Derring Hall Envelope: This planning project will design a repair solution for the exterior envelope of Derring Hall. Planning amount received from the Commonwealth. Report on condition of building's exterior and recommendations for repairs under review.

8. Planning: Rescue Squad Facility: This planning project will design a new 12,500 gross square foot facility for the Virginia Tech Rescue Squad (VTRS). Procurement of AE services is in process.

9. Maintenance Reserve: The total project budget reflects $1.759 million of carryforward from fiscal year 2024 and $18.885 million of new appropriations from the State for fiscal year 2025. The annual budget amount reflects the pace necessary to meet the state's 85 percent spending performance requirement.

10. Livestock & Poultry Research Facilities, Phase I: The new swine, poultry, beef, and equine facilities are substantially complete. A supplement from the State to support the fifth and final bid package has been received. Construction of three hay barns and the demolition swine facilities past their useful life are underway with substantial completion expected December 2025.

11. Building Envelope Improvements: This project will complete envelope improvements to four buildings.

12. Life, Health, Safety, Accessibility, & Code Compliance: This project improves accessible pedestrian connectors in the North Academic District. The installation of two enclosed elevator towers for an accessible pathway from the ground level of Derring Hall to Burchard Plaza is complete. Accessible pathway improvements from Perry Street to the Drillfield are under construction with substantial completion expected May 2025. The accessible pathways between Patton Hall, Holden Hall, and McBryde Hall is expected August 2025.

13. Mitchell Hall (Replace Randolph Hall): This project will replace Randolph Hall with an approximately 285,500 gross square foot building to accommodate engineering instruction and research. Demolition and sitework is underway. Initial pricing for the remainder of the project, GMP-2, was received with subcontractor pricing for mechanical and electrical trades resulting in a budget that would exceed the project's authorization. Supplement funding for those trades is included in the Executive Budget for the 2025 General Assembly session.

14. Fralin Biomedical Research Institute Equipment: This funding supports the procurement and installation of specialized research equipment for the Fralin Biomedical Research Institute.

15. Equipment for Workforce Development: This project supports space and equipment purchases for the instructional programs associated with the Tech Talent Investment Program.

16. Corps Leadership and Military Science Building: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

17. Hitt Hall: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

18. Undergraduate Science Laboratory Building: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

19. Innovation Campus – Academic Building: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

Capital Outlay Projects Authorized as of December 31, 2024 (Continued)

Dollars in Thousands

		FISCAL YEAR ACTIVITY		TOTAL PROJECT BUDGET				
	PROJECT INITIATED	ANNUAL BUDGET	YTD EXPENDITURES	STATE SUPPORT	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENDITURES
AUXILIARY ENTERPRISE PROJECTS								
<u>Design Phase</u>								
Planning: Student Life Village, Phase I	Jun 2023	$ 7,500	$ 920	$ -	$ 19,500	$ -	19,500	$ 1,234 (1)
<u>Construction Phase</u>								
Maintenance Reserve	On-going	14,500	7,381	-	14,500	-	14,500	7,381 (2)
<u>Close-Out</u>								
New Upper Quad Residence Hall	Jun 2019	600	192	-	16,071	25,929	42,000	39,684 (3)
Student Wellness Improvements	Jun 2016	12,000	7,986	-	25,574	44,426	70,000	64,443 (4)
Football Locker Room Renovations	Jun 2023	2,500	1,408	-	5,900	-	5,900	4,369 (5)
TOTAL AUXILIARY ENTERPRISE PROJECTS		$ 37,100	$ 17,887	$ -	$ 81,545	$ 70,355	$ 151,900	$ 117,111
GRAND TOTAL		$ 186,147	$ 83,765	$ 680,950	$ 282,085	$ 230,411	$ 1,193,447	$ 697,223

Auxiliary Enterprise Projects

1. Planning for Student Life Village, Phase I: The planning project will design the first phase of the Student Life Village which will include 1,750 new beds, dining service capacity to meet approximately 4,000 transactions per day, and recreational space of approximately 23,000 gross square feet. The new beds are intended to replace the existing beds in Slusher Hall, provide for approximately 620 new beds for the Global Business and Analytics Complex (GBAC), and 500 beds to allow for swing space to pull existing residence halls offline for refurbishments. Schematic design is underway.

2. Maintenance Reserve: The auxiliary maintenance reserve program covers 106 assets with a total replacement value of $1.4 billion. Projects are scheduled and funded by the auxiliary enterprises. The units prepare five-year plans that outline their highest priority deferred maintenance needs. The annual budget and total project budget reflect the spending plans of the auxiliary units on maintenance reserve work scheduled for fiscal year 2025. The annual and total budgets may be adjusted during the year depending on the actual spending activities of the auxiliary units provided expenditures do not exceed the total resources encumbered for the program.

3. New Upper Quad Residence Hall: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

4. Student Wellness Improvements: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

5. Football Locker Room Renovation: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

General Fund Capital Outlay Plan for 2026-2032

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 20, 2025

Background:

The university prepares an updated Six-Year Capital Outlay Plan (Plan) every two years as part of its normal financial planning processes. The Plan is a critical component of positioning the university for state support of Educational and General capital projects and for advancing high priority projects that may be funded partially with nongeneral fund resources.

The state requires each institution's Board of Visitors to approve the Plan prior to submitting requests through the state capital budget process. Virginia Tech's delegated authority as a Tier III institution under the Higher Education Restructuring Act further requires the university, with Board of Visitor approval, to develop and maintain a capital plan that defines its capital needs.

The university sets a six-year planning period, identifying two lists of projects: i) a list of General Fund projects for submission in the state budget process and ii) a list of projects the university anticipates funding entirely through nongeneral funds. The plan for projects funded entirely with nongeneral fund resources is still under development and will be presented to the Board of Visitors at a later date.

The Plan is updated biennially to coincide with the state's capital budget process. Typically, the state releases instructions for capital budget submissions in the summer of odd-numbered years. Based on that timetable, the university should be prepared to submit a plan to the state in June of 2025. At this time, the state has not yet provided instructions or specific guidance for the development of those requests.

The prioritized rankings of General Fund projects for both the University Division and the Cooperative Extension/Agricultural Experiment Station (CE/AES) are shown in Attachment A and a brief description of each project is shown in Appendix 1.

Approval of the Plan by the Board of Visitors does not approve funding or action for any of the projects listed in the Plan. The Board of Visitors must approve separately requests to initiate design and construction for a project listed on the Plan. To the extent the university determines that issuing debt is necessary to support the cash flow requirements of a capital project, the Board of Visitors must also approve the debt issuance.

Process to Identify and Select Projects for the Plan:

In preparation for the 2026-2032 Plan update, the university engaged with its deans and vice presidents to identify a comprehensive list of space and facility needs for the planning period and to select the highest priority items for funding.

The process identified 148 needs, which included nine duplicate requests, and are shown in Appendix 2 by senior management area with their priority ranking. The 139 unique needs were then filtered and grouped into the six subsets listed below. A description of the filtering process for the subsets is shown in Appendix 3.

Subsets:

1. Projects that do not meet the capital project threshold (i.e., expenditures of at least $3 million and/or at least 5,000 square feet) that may be addressed as operating projects (20 items);
2. Projects logistically beyond the six-year planning period that will be held until their precursors are underway (13 items);
3. Projects that must be referred for further planning to better define the program and/or funding plan (61 items);
4. Agency 208 projects that are “actionable,” meaning they can be executed in the six-year time horizon and have funding plans sufficient to meet the anticipated needs of the project, (38 items); and
5. Agency 229 projects that are actionable (5 items).
6. VT Foundation projects that are actionable (2 items).

The lists of 45 actionable projects for Agency 208, Agency 229 and VT Foundation are then grouped by those that meet state qualifications for General Fund support and those that must be funded entirely with nongeneral funds or for which the university has developed an entirely nongeneral fund plan.

Strategic Priorities for the Planning Period:

The university established four strategic priorities to guide the needs identification for the planning period. The priorities include:

- Global Distinction
- Facility Asset Management and Renewal,
- Student Experience and Success, and
- Alignment with state capital funding priorities.

Planning Constraints:

Estimated financial resources for any planning period are finite and constrain the size of a plan and the likely pace of progress to implement projects on the plan. The five key financial constraints for the planning period are described below:

1. General Fund for Agency 208:

    The level of the state capital funding program ebbs and flows over time, with large bond programs over the past five years that advanced multiple projects at Virginia Tech. The availability of state funding depends on the priorities of the Governor and General Assembly, the Commonwealth's financial position, and the backlog of capital projects previously funded. Based on internal analyses of the state's historical investments in capital outlay, Virginia Tech could expect to position for approximately $350 million of capital appropriations during the six-year planning period.

2. General Fund for Agency 229:

    The state funding program for agency 229 is expected to generally follow the same pattern as agency 208 but at a smaller scale with an optimistic positioning for approximately $75 million during the planning period.

3. Nongeneral Fund Cash for Projects:

    Educational and General operating dollars, including General Fund appropriations and tuition, are not used to support capital outlays.

    Nongeneral fund revenues for capital outlays include auxiliary enterprise rates for residential and dining, auxiliary enterprise sales and services, comprehensive fees, overhead generated from indirect cost recoveries from grants and contracts, and private gifts.

    In general, the scale of these revenue sources is efficient relative to the costs they are designated to support; thus, the university does not generally accumulate large cash reserves that may be used to support capital projects.

    The cash that does accumulate is normally the result of cash flows that are positioned to service debt. To the extent these stores are available, the university uses them as a source in a capital project budget to reduce the amount of debt that would otherwise be required.

    The exception is private gifts designated for capital outlays. The university strives for private gift payments to be structured over a five-year payment schedule which is a very close alignment to the cash outflows of a capital project; thus, any amount of debt required to carry pledge payments should be minimal.

4. Nongeneral Fund Revenues for Debt Service:

    The nongeneral fund sources described in item 3 above may also be used to support debt service.

    The use of the university's debt capacity for a project is first determined by the strength of revenues to support debt service obligations. The university's budget and planning processes include extensive due diligence and business planning work to ensure a high

level of confidence that future revenues with be available and sufficient to service and retire any planned debt issuances, including long term leases.

Conversely, without the assurance that a revenue source will be available and sufficient for the entire repayment term of an issuance, debt is not allocated to a project.

5. Debt Financing:

Projects with nongeneral fund support, including portions of some gift campaigns, may use external debt to finance a portion of the project. Each potential debt financing undergoes an internal financial feasibility assessment to ensure resources are sufficient to cover the full debt service term without unnecessary financial risk to the unit's operations.

The positioning of debt is further analyzed to ensure the university does not exceed the parameters of the university debt policy or debt management practices, which sets a maximum limit of a six percent ratio of total annual debt service to total operating expenses. This evaluation is projected six-years out and includes anticipated issuances for projects in the Plan.

The Board of Visitors reviews and approves an annual report of debt capacity and debt ratio and authorizes individual debt packages prior to an issuance. These practices provide an important set of controls to ensure the institution's debt obligations do not become a point of inflexibility in reaching the operational goals of the institution, to ensure the university is holding sufficient debt capacity for its highest priorities, and to ensure compliance with restructuring requirements for credit ratings and debt ratios.

A projection of the timing and amount of expected debt issuances is shown in Appendix 4. The appendix shows the planned debt issuances would remain within the six percent debt ratio guideline established by the Board of Visitors and would provide approximately $319 million of unallocated capacity for unforeseen and/or unexpected opportunities that may arise during the planning period. Beyond the planning period, debt capacity returns with an estimated $492 million of unallocated capacity by FY32, which also climbs to $840 million of unallocated capacity by FY35.

General Fund Project List, Attachment A:

The highest priority projects requesting General Fund resources are listed under each division of Virginia Tech in their priority order, which reflects the strategic priorities of the university and state priorities as understood at this time. Notably, five of the ten projects under the university division are facilities that support programs in science, technology, engineering and biomedical sciences with the remaining projects targeted to ensuring appropriate facility renewal. The total dollar value of the list exceeds projected resources likely to be allocated to Virginia Tech during the planning period. By including a variety of high priority needs in the listing, the university ensures it has the flexibility to adapt to various state capital funding programs that may emerge over the upcoming 12 months.

The state requires that an institution's Board of Visitors review and approve projects prior to submission in the state budget process. Because the submission date to the state may occur before the June 2025 Board of Visitors meeting, the university is seeking the review and approval of the Plan at the March 2025 meeting of the Board of Visitors.

When guidance and instructions are received from the state, the university will prepare and submit its capital budget items based upon the projects included in Attachment A. If future instructions and/or guidance from the state necessitate a change in the rankings or arrangement of projects in the General Fund listing, a final list with adjustments as submitted to the state will be brought to the Board of Visitors for review and ratification at a subsequent meeting.

Nongeneral Fund Project List, Attachment B

The plan for projects funded entirely with nongeneral fund resources is still in development and will be presented to the Board of Visitors at a later date.

Project Costs:

The university uses two parametric-based cost estimating methods for each project which are then compared and reconciled to inform the cost amounts used in the Plan.

The first method is the Commonwealth's July 2024 Department of General Services (DGS) Construction Cost Database plus a 1.3 regional market premium factor with a 1.13 escalation rate to reach a July 2028 midpoint of construction. [Note: escalation rates for this planning period are aligned with historical norms of approximately 1.12 to 1.14.]

The second method is based on historical data reflecting actual project costs for similar projects escalated to a date that matches the "as of date" of the DGS cost database and then escalated to the same July 2028 midpoint of construction.

These cost estimates provide a reasonable order of magnitude for planning purposes. Actual project budgets and costs may stray from the amounts used in the plan when escalation runs at a pace significantly different from the rates used in these estimates and/or the approved project scope is modified when design is authorized to proceed.

Summary:

The university's updated General Fund Plan for the 2026-2032 period, as shown in Attachment A, provides a compliment of projects to advance the goals of i) garnering Global Distinction, ii) addressing facility asset management and renewal to ensure the continuity of ongoing programs and services, iii) strengthening the student experience and success, and iv) alignment with state capital funding priorities.

The Plan positions the university to compete for future state capital funding programs and is based on sound financial planning.

Because the university maintains an active capital program with a portfolio that is continually loading new projects and discharging completed projects, the university updates its Six-Year Capital Plan every two years.

RECOMMENDATION:

That the General Fund Capital Outlay Plan for 2026-2032, which seeks state funding support, be approved and for the university to submit the items in Attachment A in the state's capital budget process in accordance with future instructions and guidance from the state.

March 25, 2025

ATTACHMENT A - General Fund

Six-Year Capital Outlay Plan for 2026-2032

as of February 18, 2025

			Dollars in Thousands Escalated to July 2028			
University Division			General Fund	Nongeneral Fund	Debt	Total
Academic Construction and Renovation						
1	Virginia Tech Carilion School of Medicine and Fralin Biomedical Research Institute Expansion	(1)	$ 138,300	$ -	$ 26,200	$ 164,500
2	Chemistry/Physics Facilities Renovation and Expansion (Hahn)		101,000	-	35,000	136,000
3	Renovate and Renew Academic Buildings Phase II (RRAB II)					
	Robeson Hall		30,525	6,475	-	37,000
	Price Hall		34,200	3,800	-	38,000
	Architecture Annex		8,000	-	-	8,000
	RRAB II Subtotal		72,725	10,275	-	83,000
4	Derring Hall Renovation		115,625	-	9,375	125,000
5	Newman Library Renovation		82,000	-	-	82,000
6	Burruss Hall Renovation		140,000	-	-	140,000
7	Classroom Renovations		25,000	-	-	25,000
Infrastructure and Safety						
1	Derring Hall Envelope Repair	(1)	23,000	-	-	23,000
2	Utilities Infrastructure Renewal Phase I		48,000		12,000	60,000
3	Life, Health, Safety, Code Compliance Package		8,000	-	-	8,000
	Total University Division Projects		$ 753,650	$ 10,275	$ 82,575	$ 846,500
Cooperative Extension / Agriculture Experiment Station Division (CE/AES)						
1	Agricultural Research and Extension Centers Improvements	(2)	$ 64,000	$ -	$ -	$ 64,000
2	Relocate Plant-Based Facilities from Glade Road		14,000	-	-	14,000
3	Plant and Zoonotic Disease Research Facility (HABB-II)		83,000	-	-	83,000
4	Renew Animal and Livestock Facilities		31,000	-	-	31,000
5	Brooks Center: Sustainable Packaging Laboratory Addition		13,000	-	-	13,000
	Total CE/AES Division Projects		$ 205,000	$ -	$ -	$ 205,000
Total General Fund Capital Plan for 2026-2032			**$ 958,650**	**$ 10,275**	**$ 82,575**	**$ 1,051,500**

Notes:

(1) Project has State Planning Authorization

(2) AREC Improvements include the Eastern Shore AREC (with current State Planning Authorization), Southern Piedmont AREC and Tidewater AREC

APPENDIX 1

Project Descriptions for the 2026-2032 Capital Outlay Plan

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 19, 2025

General Fund Projects – Listed in Attachment A:

University Division: Academic Construction and Renovation

1. Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute Expansion

This project envisions 125,000 gross square feet (GSF) of new construction including parking, to double the enrollment of the School of Medicine, and a backfill renovation of 51,000 GSF of the vacated space to expand the Fralin Biomedical Research Institute.

2. Chemistry/Physics Facilities Renovation and Expansion (Hahn Hall South)

Hahn Hall was constructed in 1988 with an addition in 2002, and no major renovations since construction was completed. The proposed project includes renovating the entire 71,100 GSF existing building for modern research laboratory and classroom space for the chemistry program and expanding with an addition to provide needed space for instructional classrooms, laboratory space, and support space for the physics program.

3. Renovate and Renew Academic Buildings Phase II (RRAB II)

The Renovate and Renew Academic Buildings Phase II project is a package of three academic buildings with renovation needs, which includes:

- Robeson Hall: Originally constructed in 1960, the proposed project includes a 66,200 GSF renovation for academic classroom, laboratory and support spaces for the College of Science,
- Price Hall: Originally built in 1907, the project would entail a 56,000 GSF academic renovation for the College of Agriculture and Life Sciences, and
- Architecture Annex: Originally built in 1916, the project envisions a 15,800 GSF classroom and office renovation for the College of Architecture, Art, and Design.

4. Derring Hall Renovation

Derring Hall was constructed in 1969 with only one major improvement via renovation since the original construction was completed. This request is to renovate and modernize

approximately 168,000 GSF of high demand instructional space for the physical sciences programs.

5. Newman Library Renovation

Newman Library was constructed in 1955 with an addition in 1980, with no major renovations since construction was completed. This project envisions constructing a new high-density library storage facility off-campus to hold volumes that need to be retained followed by a renovation of Newman Library to address outdated and undersized restroom and plumbing facilities, electrical systems, HVAC systems, and egress points to meet student demand for modern academic collaboration and interactive learning formats. The proposed project totals 242,000 GSF and includes the storage needs.

6. Burruss Hall Renovation

The proposed project includes renovating 158,000 GSF of academic and administration space. Burruss Hall was built in 1936 with additions in 1968 and 1970, and a renovation in 2007 to convert a portion of the north elevation to academic use. This project replaces and updates the major building systems within the historic building.

7. Classroom Renovations

This project will renovate 65,000 GSF of outdated and underutilized general assignment classroom space to modernize instructional spaces to meet the existing space demand for interactive learning and uphold the quality of education.

University Division: Infrastructure and Safety

1. Derring Hall Envelope Repair

Derring Hall was built in 1969, is 208,000 GSF, has a Facility Condition Index score of 55 percent, and is the university's largest undergraduate science laboratory instruction building. This project will address the significant spalling, delamination, and cracking of the exterior concrete walls, columns, parapets, and window sealants.

2. Utilities Infrastructure Renewal Phase I

The Utilities Infrastructure Renewal Phase I project has two main components. The first component includes a chiller water utility renewal, increasing capacity for existing facilities, and connecting the chilled water plants to the central chilled water loop. The second component is thermal distribution utility renewal, replacing a large portion of the centralized thermal heating distribution system network, a fifty-year old system serving 70 percent of the main Virginia Tech campus.

3. Life, Health, Safety, Code Compliance Package

The university's health, safety, and accessibility initiative for the campus is an ongoing effort, and the university includes a request for this program in each capital plan. This

project continues progress on needed campus improvements including accessibility improvements and life safety repairs that are beyond the scope of the Maintenance Reserve program.

Cooperative Extension / Agricultural Experiment Station Division

1. Agricultural Research and Extension Centers Improvements

This project will address the top priority infrastructure and renovation needs for three Agricultural Research and Extension Center sites: Eastern Shore (39,000 GSF), Tidewater (39,800 GSF), and Southern Piedmont (26,600 GSF). This project will make improvements for the research and extension programmatic needs at these locations via a combination of renovation and expansion.

2. Relocate Plant-Based Facilities from Glade Road

This project relocates plant and agricultural-based assets from the Glade Road area to more suitable permanent location near existing College of Agriculture and Life Sciences facilities on campus. The project includes the construction of multiple new buildings of approximately 34,000 GSF and the demolition of outdated assets.

3. Plant and Zoonotic Disease Research Facility (HABB-II)

This project is to provide a 94,000 GSF modern research laboratory space that will focus on infectious disease research and will include the laboratories, laboratory support spaces, faculty offices, and graduate student research space.

4. Renew Animal and Livestock Facilities

This project includes replacing approximately 100,000 GSF of outdated facilities primarily serving beef cattle, equine, sheep, and poultry. The replacement facilities consolidate functions and operational efficiencies.

5. Brooks Center: Sustainable Packaging Laboratory Addition

This project includes construction of a 17,000 GSF addition laboratory to the Brooks Forest Products Center, including fiber-based packaging materials and distribution packaging laboratories, offices and a loading dock. The laboratory will be equipped with cutting-edge technology to test and validate the performance of innovative sustainable packaging materials, accelerating their adoption to tackle pressing industry challenges.

APPENDIX 2

Project Needs

Proposals from Deans and Vice Presidents

2026-2032 Six-Year Capital Outlay Plan Update

December 9, 2024

The project proposals are listed by Academic, Support areas and Staff Initiated categories, containing the priority order of the specific Senior Management Area.

Academic

AP Arts

1	Music and Arts Building
2	Renovations: Armory, Media Annex, and Architecture Annex facilities
3	Special Collections and Cultural Center
4	College of Architecture, Arts and Design Building
5	Marching Virginian's Expansion

Architecture, Art and Design

1	New Music and Performing Arts Building
2	College of Architecture, Arts, and Design Building
3	Renovate Architecture Annex
4	Marching Virginians Facility Expansion
5	Renovate Armory
6	Road and Pedestrian Network out to Plantation Road
1-NC	Plantation Road Research and Scholarship Buildings
2-NC	Renovate Squires Performance Spaces

College of Agriculture and Life Sciences

1	Hutcheson and Smyth Hall Renovations
2	Saunders and Seitz Hall Renovation
3	Litton-Reaves Vivarium Refurbishment
229 - 1	System-wide AREC Improvements
229 - 2	Plant and Zoonotic Disease Research Facility - HABB II
229 - 3	Glade Road Research Center Replacement
229 - 4	Renew Animal Production and Livestock Facilities II
229 - 5	System-wide AREC Improvements

College of Engineering

1	Replace Randolph / Mitchell
2	Electrical and Computer Engineering Expansion Building

3 Transdisciplinary Biomedical Research Building
4 Patton Hall Renovation
5 Large Projects Building
6 Expand student-team project space for Engineering
7 Water Laboratory Facility
8 Relocate Turbo Lab and APPL
9 Blacksburg Component to Hitt Research Building in Falls Church
10 Norris Hall Renovation
11 Shared Support Research Facilities (i.e., Renovate Robeson Hall)

College of Liberal Arts and Human Sciences

1 Life Span and Family Services Research Center
2 School of Education Facility
3 Renovate Lane Hall (ADA Compliance)
4 Renovate Wallace Hall
5 Consolidate off-campus leases for TTAC and School of Education

College of Natural Resources and Environment

1 Cheatham Hall Renovation and Expansion
2 Paver Patio outside of Cheatham Hall
229 - 1 Brooks Center Renovation and Expansion

College of Science

1 Hahn Hall South Renovation and Expansion
2 Robeson Hall Renovation
3 Derring Hall Renovation
4 Instruction Swing Space for Robeson, Hahn, Derring renovations

College of Veterinary Medicine

1 Veterinary Teaching Hospital Expansion
2 Additional instructional space for Public Health Program
3 Space to grow One Health Research Program

Graduate School

1 Blacksburg: Graduate & professional student and family housing
NCR: Graduate & professional student and family housing
Roanoke: Graduate & professional student and family housing
2 Affordable childcare space on or adjacent to campus
NCR: Large Auditorium / Multipurpose Spaces

Health Sciences and Technology

1 VTC-School of Medicine and Fralin Biomedical Research Institute Expansion
2 Purchase of CNH CNRIC Phase one building
3 Upfit/Complete Phase II of Children's National Partnership
4 FBRI Cancer Research Facility
5 Expand the HS&T Campus: New program - Climate Health Sciences
6 Expand the HS&T Campus: New program - Pharmaceutical Sciences

Honors College

1 New Honors College Building / Expansion

Innovation Campus

1 Upfit ICAB I Floors 6 and 7
2 Innovation Campus: Innovation Building Lease
3 Regional central administrative services hub
4 VTRC-A Reconfiguration to advance NSI thematic alignment
5 Innovation Campus Academic Building II
6 Innovation Campus Academic Building III

Libraries

1 Library Storage Facility Expansion
2 Newman Library Renovation

Pamplin College of Business

1 New Business Building
2 Expand Scope and Grow within the Innovation Campus

Provost

1 General Assignment Classroom Renovations
2 Support of SLV, Vivarium, Nanofabrication, SOPA
3 Space for Transdisciplinary Engagement
4 Pamplin Hall Backfill Renovation

School of Medicine

1 VTC-School of Medicine and Fralin Biomedical Research Institute Expansion

Support

Advancement

1 Advocate for University Priorities

Athletics

1 Beamer Lawson Indoor Practice Facility Heating
2 Lane Stadium and Cassell Coliseum Scoreboards
3 Cassell Coliseum Renovation and Enhancements
4 Driving Range and other golf practice holes
5 Tennis Center Improvements
6 Softball Park Improvements
7 Soccer/Lacrosse Improvements

Auxiliary and Business Services

1 Parking Garage
2 Mail Services Facility

3 Inn at VT Renovations
4 VTSI Integration (Bookstore Renovation)
5 Support of ADA/Accessibility Projects

Diversity, Inclusion and Strategic Affairs

1 Cultural Community Focus Centers

Equity and Inclusion

1 Infinite Loop + Green Links
2 Auditorium Accessibility Renovation Package
3 Campus Infrastructure Accessibility Projects*
Auxiliary Accessibility Projects*
E&G Accessibility Projects*

Facilities

1 Fire and Life Safety Systems
2 Accessibility Improvements (with CAWG)
3 Burruss Hall Renovation (Phase I)
4 Burruss Hall Renovation (Phase II)
5 Sterrett Center Feasibility Study
6 North Chiller Plant Renewal
7 Thermal Infrastructure Distribution Renewal (Phase I)
8 Chilled Water Plant Renewal (Phase III)
9 Electric Bulk Feeder Renewal (West Campus Load)
10 New Thermal Utility Plant
11 Critical Utilities Renewal and Existing Plant Upgrades
12 Heritage Protection and Preservation feasibility study package
13 Solitude Preservation and Renewal

Finance

1 IT ERP Project

Foundation

1 U-Mall / Glade Rd Redevelopment
2 CRC Expansion

Information Technology

1 SLV Living Learning District Core Extension for IT
2 Owens Cabling Center Relocation for IT
3 Statewide Networking at each campus for IT
4 Blacksburg Campus Infrastructure Expansion for IT

Outreach and International Affairs

1 Replacement Space for International Affairs Offices
2 Relocate VP-OIA Office back to campus
3 Consolidated Global Facility

Public Safety

1 Rescue Squad Building
2 Security Cameras
3 Campus Buildings - Perimeter Access Control
4 Materials Management Facility Expansion
5 Police Training Facility
6 Landfill Closure Compliance
7 Message Board (VT Alerts) Replacement
8 Support of ADA/Accessibility Projects

Research and Innovation

1 Expand Vivarium Spaces
2 Comprehensive Nanofabrication Facility
3 Expansion of National Security Facilities
4 Wet Lab Expansion Building
5 ICTAS MAAP Drone Facility

Student Affairs

1 Food Processing Center and Warehouse
2 Student Life Village Phase 1
3 Student Life Village - Phase 2
4 Renovate Pritchard Hall
5 Student Life Village - Phase 3
6 Renovate Hoge Hall
7 Drillfield Residence Hall Renovations (Campbell and Eggleston)

Staff Initiated

Staff

Campus Mobility
Collapsing the temporary recreation facility, e.g., 'Big White Tent'
Lane Hall Renovation
Price Hall Renovation
Property Acquisitions
Renovate G. Burke Johnston Student Center
Renovate Media Building
Transdisciplinary Research Warehouse
Derring Hall Envelope
Renovate and Renew Academic Buildings Phase II
Campus Services: Mail, Surplus, and Storage
Renovate Henderson Hall

* Note: Multiple Accessibility Projects identified under these broader categories

APPENDIX 3

Capital Needs Filtering Process
2026-2032 Capital Outlay Plan Update
February 19, 2025

A critical task of the Six-Year Plan update cycle is categorizing the collected capital needs and organizing them based on predetermined qualifiers. The 139 unique capital needs are classified into one of five subcategories based on the definitions below.

1. **Non-capital items:** This category is for facility and space needs with a scope less than $3 million and/or 5,000 gross square feet. The solution may be implemented through normal operating processes with university departments such as Procurement, Facility Operations, or Real Estate Management. This category contains 20 projects.

2. **Projects Logistically Beyond Six Years:** This category is for capital needs that require prerequisite projects to be completed before advancing or for needs that are too far down the senior management area's priority list to be considered actionable during the Six-Year capital planning period. This category contains 13 projects.

3. **Projects Referred for Further Internal Planning:** This category is composed of capital needs that have not satisfied the nine qualifiers established to determine if a project can be considered actionable as a capital outlay activity. This category holds 61 projects. The qualifiers for this category include the following:

    i. Program space chart completed in assignable square feet and gross square feet;
    ii. Space solution identified: renovation, demolition and replacement, or new space;
    iii. Location and site identified;
    iv. Acquisition method identified: lease, purchase, PPEA, CM@Risk, Design-Build, Hard Bid;
    v. Parametric cost estimate calculated for rough order of magnitude;
    vi. Operating pro forma completed for auxiliary enterprise and research projects;
    vii. Funding plan for the entire project costs;
    viii. If external debt is part of the funding plan, sources committed for the entire debt service period; and
    ix. Private fund component approved by central Office of Advancement.

4. **Agency 208 Projects Actionable Within Six Years:** This category is for Agency 208 capital needs that have satisfied the preceding qualifiers to be considered actionable during the planning period. This category contains 38 projects.

5. **Agency 229 Projects Actionable Within Six Years:** This category is for Agency 229 capital needs that have satisfied the preceding qualifiers to be considered actionable during the planning period. This category contains 5 projects.

6. **Virginia Tech Foundation Actionable Within Six Years**: This category is for VT Foundation needs that are considered actionable during the planning period. This category contains 2 projects.

APPENDIX 4

Illustration of Debt Allocations Within a Six Percent Ratio
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
As of October 22, 2024
(Dollars in Thousands)

	Planning Projections						Trailing Period					
	2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**2031-32**	**2032-33**	**2033-34**	**2034-35**	**Total**
Authorized Projects												
Debt Issuances												
Building Envelope Repairs		$15,250	$15,250									$30,500
BOV Approved Leases												
Children's National Lease Expansion, Phase II (Lease)						$11,300						11,300
Children's National Lease Expansion, Phase II (Upfits)						8,700						8,700
	-	15,250	15,250	-	-	20,000	-	-	-	-	-	50,500
Placeholder Allocations for Six-Year Capital Outlay Plan												
Debt Issuances												
Pamplin College of Business		$52,700										52,700
SLV Phase I - Utilities and Infrastructure		50,000										50,000
Rescue Squad			$11,500									11,500
SLV Phase I - Recreation			10,000									10,000
SLV Phase I - Dining			40,000									40,000
SLV Phase I - Residential			115,000	$115,000								230,000
Veterinary Teaching Hospital Expansion				20,000								20,000
Parking Structure at Blacksburg Campus				26,300								26,300
VTC-School of Medicine & FBRI Expansion				30,000								30,000
Hahn Hall South Renovation and Expansion					$40,900							40,900
G. Burke Johnston Renovation						$5,000						5,000
BOV Approved Leases												
Food Processing Center and Warehouse		15,000										15,000
Expand Vivarium Spaces		45,000										45,000
Replace Kmart Lease					11,000							11,000
	-	162,700	176,500	191,300	51,900	5,000	-	-	-	-	-	587,400
Total Authorized and Placeholder Issuances	$ -	$177,950	$191,750	$191,300	$51,900	$ 25,000	$ -	$ -	$ -	$ -	$ -	$637,900
Net Debt Capacity (20-Year Present Value)	$417,490	$366,528	$335,667	$293,324	$256,570	$319,404	$385,388	$491,947	$643,798	$745,914	$839,727	

Capital Project for the New Business Building

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 20, 2025

The Board of Visitors approved an $8 million planning authorization in April 2022 to design a new building for the Pamplin College of Business (College) as part of the academic component of the Global Business and Analytics Complex (GBAC). This new building project has been on both the Campus Master Plan and the Six-Year Capital Outlay plan. The project completed preliminary designs in Fall 2024 and is in the working drawings design phase.

The New Business Building is envisioned as a four-story structure that will connect with the Data and Decision Sciences Building through a common area and provide expanded, modern, educational space sufficient to meet demand for the business programs. The site for the academic building is the northwest corner of campus near Prices Fork Road and West Campus Drive.

The project design for the approximately 92,300 gross square foot building is 80 percent complete, with construction expected to begin in August 2025. The university has obtained estimated construction costs based on the design documents from the Construction Manager at Risk and third-party cost estimators. Based on this information, the university estimates a total project cost of $94 million inclusive of all hard and soft costs including design, construction, equipment and administration.

The funding plan for the $94 million project budget calls for $47 million of nongeneral fund resources earmarked for the project including private gifts, and $47 million of debt that will be serviced by nongeneral fund revenues generated by the College. The actual debt amount may be adjusted downward for any revenues accumulated prior to the issuance of permanent debt.

With an established scope, schedule, delivery method, and funding plan for the cost estimate, the university is ready to move forward to complete the New Business Building project. Under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has the authority to approve the budget, size, scope, and funding of nongeneral fund capital outlay projects. This request is for a $86 million supplement to the existing $8 million authorization for an adjusted $94 million total authorization to complete the construction of the New Business Building project.

RESOLUTION FOR A CAPITAL PROJECT FOR THE NEW BUSINESS BUILDING

WHEREAS, the Board of Visitors approved an $8 million planning authorization for the New Business Building project in April 2022 and the project has completed preliminary design in Fall 2024 and is in the working drawings phase; and,

WHEREAS, the facility will house the Pamplin College of Business programs to provide expanded, modern, educational space sufficient to meet demand for the business programs; and,

WHEREAS, the design is for a four-story building acting as a companion structure and connected to the Data and Decision Sciences building located in the northwest corner of campus near Prices Fork Road and West Campus Drive; and,

WHEREAS, the design for an approximately 92,300 gross square foot is 80 percent complete with estimates that show an expected total project cost of $94 million; and,

WHEREAS, the project is on pace to execute a single construction contract by August 2025; and,

WHEREAS, the total project budget inclusive of design, construction, equipment, and administration is $94 million, and the university has developed an entirely nongeneral fund financing plan sufficient to support the project budget; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the university has the authority to issue bonds, notes or other obligations that do not constitute State tax supported debt; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has authority to approve the budget, size, scope, and funding of nongeneral funded major capital outlay projects.

NOW, THEREFORE, BE IT RESOLVED, that the university be authorized to complete the New Business Building project for the Pamplin College of Business and to secure temporary short-term financing through any borrowing mechanism that, prior to such borrowing, has been approved by the Board, as applicable, in an aggregate principal amount not to exceed the $94 million authorized for the total project budget, plus related issuance costs and financing expenses.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to complete the New Business Building be approved.

March 25, 2025

RESOLUTION ON THE STUDENT LIFE VILLAGE AND SLUSHER HALL

WHEREAS, the Board of Visitors desires to rescind the Board's actions of November 13, 2022, adopting the 2022 Student Life Village Master Plan as a Supplement to *Beyond Boundaries 2047* and restore the original unamended *Beyond Boundaries 2047* as adopted in 2018; and,

WHEREAS, the Board of Visitors desires to reconsider the decision to demolish Slusher Hall;

NOW, THEREFORE, BE IT RESOLVED that the Virginia Tech Board of Visitors hereby rescinds the November 13, 2022, adoption of the Student Life Village Amendment to the Campus Master Plan as a supplement to *Beyond Boundaries 2047;* and

BE IT FURTHER RESOLVED that the original version of Beyond Boundaries Master Plan without the Student Life Village supplement will remain in full force and effect; and

BE IT FURTHER RESOLVED that all planning and expenditure of funds on the Student Life Village cease immediately, including without limitation that the expenditure of any funds for planning Phase I of the Student Life Village approved by action of the Board of Visitors on June 6, 2023, be halted as soon as practicable under the existing contractual arrangements; and

BE IT FURTHER RESOLVED that the university take the necessary actions to remove all references to the Student Life Village from all university planning, budgetary, and capital outlay documents; and

BE IT FURTHER RESOLVED that Slusher Hall will not be demolished but instead will be renovated; and

BE IT FURTHER RESOLVED that on or before the August 2025 meeting of the Board of Visitors, the university shall present to the Board a report revising the Six-Year Plan and re-projecting deployment of the university debt capacity without the construction of Phase I of the Student Life Village; and

LASTLY, BE IT RESOLVED that on or before the August 2025 meeting of the Board of Visitors, the university shall present to the Board a plan for the renovation of Slusher Hall.

RECOMMENDATION:
That the Student Life Village and Slusher Hall resolution be approved.

March 25, 2025

President Sands will provide an update to the Board on Tuesday, March 25, 2025

Constituent Report by Undergraduate Student Representative to the Board, Leslie Orellana, will be presented at Monday's Information Session

Constituent Report by Graduate/Professional Student Representative to the Board, William Poland, will be presented at Monday's Information Session

Constituent Report by President of Staff Senate, LaTawnya Burleson, will be presented at Monday's Information Session

Constituent Report by
President of Administrative and
Professional Faculty Senate,
Janice Austin,
will be presented at Monday's
Information Session

Constituent Report by President of Faculty Senate, Rachel Miles, will be presented at Monday's Information Session

MOTION TO BEGIN CLOSED MEETING

March 25, 2025

I move that the Board convene in a closed meeting, pursuant to § 2.2-3711, Code of Virginia, as amended, for the purposes of discussing:

1. Appointment of faculty to emeritus status, the consideration of individual salaries of faculty, consideration of endowed professors, review of departments where specific individuals' performance will be discussed, and consideration of personnel changes including appointments, resignations, tenure, and salary adjustments of specific employees and faculty leave approvals.

2. The status of current litigation and briefing on actual or probable litigation.

3. Special awards.

4. Fundraising activities.

all pursuant to the following subparts of 2.2-3711 (A), Code of Virginia, as amended, .1, .7, .9, and .11.

Motion for Return to Open Session

SELECTION COMMITTEE

March 17, 2025

WHEREAS, the Selection Committee of the Board of Visitors of Virginia Polytechnic Institute and State University has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Selection Committee of the Board of Visitors that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Selection Committee of the Board of Visitors of Virginia Polytechnic Institute and State University hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Selection Committee of the Board of Visitors.

Appointment of the Nominating Committee for Officers of the Board

Appointment of the 2025
Retreat Planning Committee

Open Session Agenda

ACADEMIC, RESEARCH AND STUDENT AFFAIRS COMMITTEE

March 24, 2025

	<u>**Agenda Item**</u>	<u>**Reporting Responsibility**</u>
1.	**Welcome**	N. Dye
2.	**Review and Approve Open Session Agenda**	N. Dye
3.	**Consent Agenda**	N. Dye
	a. Approval of November 19, 2024 Committee Meeting Minutes	
	* b. Resolution to Amend the Faculty Handbook Description of Administrative Support for University Distinguished Professors	
	* c. Resolution to Amend the Faculty Handbook Regarding Description of Clinical Faculty Ranks	
	* d. Resolution to Amend the Faculty Handbook Regarding Ethics of Intimate Relationships Involving Faculty	
	* e. Resolution to Amend the Faculty Handbook Regarding Promotion and Tenure and Related Appeals	
	* f. Resolution for Closure of Department of Apparel, Housing, and Resource Management	
* **4.**	**Resolution to Approve Bachelor of Science Degree Designation in Geography**	T. Crawford
5.	**Provost's Update and Discussion**	C. Clarke
6.	**Overview of Promotion & Tenure Process**	R. Fricker
7.	**Update on Residential Well-Being Model and Living Learning Communities**	F. Keene
8.	**Discussion of "Principles Guiding Virginia Tech's Policies and Practices" (discussion draft)**	C. Clarke
9.	**Motion to Begin Closed Session**	N. Dye

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* Requires Full Board Approval
# Discusses Enterprise Risk Management topic(s)

	10. Motion to End Closed Session	N. Dye
	11. Report of Closed Session Action Items	N. Dye
*	**12. Resolution Regarding the Presidential Executive Order on Diversity, Equity, and Inclusion**	N. Dye
	13. Closing Remarks and Adjourn	N. Dye

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* Requires Full Board Approval
# Discusses Enterprise Risk Management topic(s)

Open Session Briefing Report

ACADEMIC, RESEARCH AND STUDENT AFFAIRS COMMITTEE

March 24, 2025

Agenda Item		**Reporting Responsibility**
1.	**Welcome** *Nancy Dye, chair of the Academic, Research and Student Affairs Committee, will welcome members and others to the committee's open session.*	N. Dye
2.	**Review and Approve Open Session Agenda** *The chair will review and ask for approval of the Open Session Agenda including items on the Consent Agenda.*	N. Dye
***3.**	**Consent Agenda** *The committee will consider approval of items on the consent agenda including the November 19, 2024 meeting minutes, a resolution to amend the faculty handbook regarding the description of clinical faculty ranks, a resolution to amend the faculty handbook description of administrative support for University Distinguished Professors, a resolution to amend the faculty handbook regarding the ethics of intimate relationships involving faculty, a resolution to amend the faculty handbook regarding promotion and tenure and related appeals, and a resolution for the closure of the Department of Apparel, Housing, and Resource Management.*	N. Dye
***4.**	**Resolution to Approve Bachelor of Science Degree Designation in Geography** *Tom Crawford, chair of the Department of Geography, will provide an overview of a proposed new B.S. degree designation in Geography to complement the existing B.A. degree in Geography.*	T. Crawford
5.	**Provost's Update and Discussion** *Executive Vice President and Provost Cyril Clarke will update the committee on the university's academic initiatives.*	C. Clarke
6.	**Overview of Promotion & Tenure Process** *Ron Fricker, Vice Provost for Faculty Affairs, will provide an overview of the promotion & tenure process, including a description of how the process contributes to Virginia Tech's aspirations for global distinction, and the extensive review that occurs prior to consideration by the Board of Visitors.*	R. Fricker

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* Requires Full Board Approval
# Discusses Enterprise Risk Management topic(s)

7. **Update on Residential Well-Being Model and Living Learning Communities** F. Keene
Frances Keene, Vice President for Student Affairs, will provide an update on the residential well-being model and Living Learning Programs (LLPs) at Virginia Tech. Data shows that living on campus is valuable for students; Virginia Tech is nationally recognized for our innovative approaches to living on campus through LLPs; these programs extend academic benefits and provide valuable mentorship and leadership opportunities.

8. **Discussion of "Principles Guiding Virginia Tech's Policies and Practices" (discussion draft)** C. Clarke
C. Clarke will facilitate a discussion of the principles guiding Virginia Tech's policies and practices as the university continues its long-standing commitment to comply with all applicable anti-discrimination laws.

9. **Motion to Begin Closed Session** N. Dye
The committee chair will request that a member of the committee make a motion to take the committee into closed session.

10. **Motion to End Closed Session** N. Dye
The committee chair will request that a member of the committee make a motion to end the committee's closed session.

11. **Report of Closed Session Action Items** N. Dye
The committee chair will report on those actions that were voted on during closed session.

*12. **Resolution Regarding the Presidential Executive Order on Diversity, Equity, and Inclusion** N. Dye
The committee will consider a resolution regarding actions the university will take in response to guidance from the United Sates Department of Education and the U.S. Attorney General to assure full compliance with the Equal Protection Clause of the U.S. Constitution, Title VI of the Civil Rights Act of 1964, and other federal civil rights laws.

13. **Closing Remarks and Adjourn** N. Dye
The committee chair will provide closing remarks and adjourn the meeting.

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* Requires Full Board Approval
# Discusses Enterprise Risk Management topic(s)

Open Session Consent Agenda

ACADEMIC, RESEARCH, AND STUDENT AFFAIRS COMMITTEE

March 24, 2025

a. Approval of November 19, 2024 Committee Meeting Minutes
b. Resolution to Amend the Faculty Handbook Description of Administrative Support for University Distinguished Professors
c. Resolution to Amend the Faculty Handbook Regarding Description of Clinical Faculty Ranks
d. Resolution to Amend the Faculty Handbook Regarding Ethics of Intimate Relationships Involving Faculty
e. Resolution to Amend the Faculty Handbook Regarding Promotion and Tenure and Related Appeals
f. Resolution for Closure of Department of Apparel, Housing, and Resource Management

Committee Minutes

ACADEMIC, RESEARCH, AND STUDENT AFFAIRS COMMITTEE

November 19, 2024

Committee Members Present: Nancy Dye (chair), Sandy Davis*, William Holtzman, Donald Horsley, J. Pearson, Jeanne Stosser
**One Board member participated remotely from her home for medical reasons in accordance with Code of Virginia §2.2-3708.3(B). A quorum was physically present.*

Board Members Present: Ed Baine (rector)

Constituent Representatives Present: Janice Austin (A/P faculty representative), Leslie Orellana (undergraduate student representative), William Poland (graduate and professional student representative).

Guests: Lauren Augustine, Eric Brooks, Cyril Clarke, Lance Collins, Al Cooper, Debbie Day, Juan Espinoza, Mario Ferruzzi, Ron Fricker, Rachel Gabriele, Ellington Graves, Chelsea Haines, Dee Harris, Kay Heidbreder, Bill Huckle, Cyndi Hutchison, France Keene, Gerard Lawson, Lu Liu, Kevin McGuire, Mallory Miller, April Myers, Justin Noble, Mark Owczarski, Sharon Pitt, Karen Roberto, Tina Savla, Tim Sands, Stephen Schoenholtz, Mark Sikes, Dee Dee Somervell, Rick Sparks, Dan Sui, Aimee Surprenant, Don Taylor, Jon Clark Teglas, Mary Trigani, Peggy Vilardo

OPEN SESSION

Report of Closed Session Items. In Closed Session, the committee considered 22 appointments to emerita or emeritus status, one appointment to an endowed chair, professorship, or fellowship, five reappointments to endowed chairs, professorships, or fellowships, five appointments with tenure, and reviewed individual salaries and personnel changes.

1. Welcome. N. Dye, chair of the committee, welcomed attendees to the meeting and acknowledged the new members to the Board.

2. Review and Approval of Open Session Agenda.

3. Consent Agenda Items. Approval of August 27, 2024, Meeting Minutes, a Resolution to Approve Appointments and Reappointments to the Virginia Coal Research and Development Advisory Board, and Resolution to Discontinue Bachelor of Science (B.S.) degree program in Systems Biology.

The committee voted unanimously to approve the Open Session Agenda as presented including approval of all Consent Agenda items.

4. Resolution to Approve a Master of Science (M.S.) degree program in Water Resources. K. McGuire, professor and director of the Virginia Water Resources

Research Center, presented a proposal for a new degree program in Water Resources. This degree program will prepare students to protect, analyze, and improve water quality, watershed ecosystems, and water resources. The Graduate School will administer this degree program, however, faculty across three colleges will collaborate and teach in the program: College of Natural Resources and Environment (Department of Forest Resources and Environmental Conservation and Department of Geography), College of Science (Department of Geosciences), and the College of Agriculture and Life Sciences (School of Plant and Environmental Science).

The committee voted unanimously to approve the Master of Science (M.S.) degree program in Water Resources.

5. Resolution to Approve a Master of Arts in Education (M.A.Ed.) degree program in Reading and Literacy Education. G. Lawson, professor and interim director of the School of Education, presented a proposal for a new degree program in Reading and Literacy Education. The establishment of the Master of Arts in Education (MAED) Reading and Literacy Education will prepare students to assess students' reading ability and apply evidence-based instructional interventions to improve reading proficiency to diverse populations of students in grades K-8. This degree program will also address the teacher shortage in Virginia as it is designed to meet the Virginia Department of Education requirements for the reading specialist endorsement area.

The committee voted unanimously to approve the Master of Arts in Education (M.A.Ed.) degree program in Reading and Literacy Education.

Committee member Jeanne Stosser joined the meeting.

6. Provost's Update. C. Clarke, executive vice president and provost, provided updates to the committee on several senior searches. The search for the new dean of the Honors College is underway, with three finalists expected to come to campus in the next few weeks. With the announcement of Paul Winistorfer's retirement at the end of the academic year, a search for a new dean of the College of Natural Resources and Environment has just launched. Current practice is to include external members in search committees in collaboration with Alumni Relations. Dr. Clarke also introduced Dr. Mario Ferruzzi, the new dean of the College of Agriculture and Life Sciences.

Academic Resource Alignment
Dr. Clarke provided the committee with an update on this President's Council project related to reinvestment. The project is designed to assess the degree to which programs of study are currently aligned with student needs and demand as well as industry and employer needs and expectations. Expected outcomes include the identification of courses and programs that may need to be reshaped or discontinued because they no longer meet the strategic interests of the university or its stakeholders. A committee has been appointed and charged to work with academic colleges to conduct a review of every course and degree program in both the undergraduate and graduate curricula, to include analyses of outcomes such as:

- Enrollment per FTE

- Graduation success (4 year/6 year)
- Annual degrees awarded
- Post-graduation placement
- Evidence of engagement in best practices in teaching and learning
- Strategic importance – university and stakeholder input

The project is being supported by the Organizational Excellence unit in the President's Office. A report, including recommendations will be submitted by the end of the 2024-25 academic year.

Virginia Tech Global Distinction Steering Committee

Virginia Tech has two high-level goals: Virginia Tech Advantage and Global Distinction. The latter is very focused on attracting and retaining top talent. After completing its first phase of review and analysis in support of advancing the university's global distinction, the committee has been charged to complete its work specifically to:

- review and, as necessary, update the Global Distinction goal, currently expressed as commitment to "build on faculty strengths and advance the university's reputational standing by investing in and growing high-impact research and creative expression";
- identify a prioritized portfolio of programs and initiatives that have the highest potential for establishing areas of eminence;
- draft detailed investment and growth strategies for each recommended area from both university and philanthropic sources; and
- recommend long-term strategies to support sustainable growth and global recognition of Virginia Tech's areas of eminence.

Examples of current programs and areas recognized to meet this goal include the following:

- Thematic and investment institutes
- Destination 2.0 program
- Resourcing of research-based doctoral programs
- Research infrastructure, such as facilities (laboratory, animal care, etc.), grant management, compliance, resourcing of center grant applications, etc.

Faculty and other university constituent groups engaged include a University Mission Initiative (these are defined as major initiatives that involve every part of the university) focused of resourcing research-based doctoral education, and the Global Distinction Feedback and Implementation Subcommittee, chaired by the president of the Faculty Senate and comprised as that body sees fit to support next steps.

A report, including recommendations, will be submitted by May 1, 2025.

Dr. Clarke closed with two uplifting examples of *Ut Prosim* after Hurricane Helene:

The Center for Leadership and Service Learning – facilitate by VT Engage:

- Twenty-one Virginia Tech students, faculty, and staff provided assistance to a flood-affected community in Giles County, specifically at Eggleston Springs Campground. They helped residents and business owners recover by clearing debris, moving furniture, clearing collapsed structures, and more.

Virginia Tech Corps of Cadets

- Senior cadet leaders canceled the fall half of the Caldwell March, a rite of passage for first-year cadets, just three days before the event in favor of helping neighboring communities with hurricane cleanup efforts. Approximately 540 cadets, along with approximately one dozen staff from the Corps and ROTC, served Giles County residents collectively and individually. Volunteers provided debris pick-up with a concentration along roadways and public property in the floodplain, loaded emergency supplies for distribution by emergency services workers, moved displaced porches/decks to their original locations, and demolished ruined decks/porches.

7. Global Distinction: Whole Health Consortium. K. Roberto, University Distinguished Professor and executive director of the Institute for Society, Culture, and Environment and T. Savla, professor in Human Development & Family Sciences will provide an overview of the Whole Health Consortium, a transdisciplinary approach to investigating equitable health and wellness solutions that supports people and their communities to pursue meaningful lives.

The Whole Health Consortium at Virginia Tech was established in 2023 with support from the Institute for Society, Culture, and Environment (ISCE) and the Office of Research and Innovation (ORI). It aims to pioneer a comprehensive approach to health and well-being that integrates molecular, behavioral, social, environmental, and societal influences. The consortium focuses on proactive disease prevention and enhancing the well-being of people and their communities through cutting-edge, transdisciplinary, community-engaged research. The consortium now has 130 members working together towards a common goal.

In the last year with the support of ISCE and the Office of Research and Innovation, the consortium has had several notable achievements. They hosted the inaugural annual conference with 125 attendees including faculty, healthcare leaders from Carilion and the Salem Veterans Administration, and community partners from a wide array of organizations. The consortium funded four innovative projects focused on mental health through their Transdisciplinary Team Seed Grants. They plan to support six additional teams in the coming year with support from Carilion Clinic. The consortium has also organized networking events including two Think Tank Meetings with researchers from the National Institutes of Health, the National Science Foundation, and USDA-funded researchers at Virginia Tech.

Going forward, and benefitting from a recently awarded Destination Areas (DA) 2.0 Phase I Planning Grant, the consortium plans to establish infrastructure to support their continued work, including:

- the establishment of a research operations support team to help remove administrative hurdles to grant applications and management.

- The appointment of a research-community liaison to strengthen connections with grassroots organizations and communities in collaboration with Extension colleagues.
- Collaboration with the Sanghani Center to bring on a health analytics data scientist to focus on collecting and curating data across consortium projects and provide a data reservoir for consortium members.

Dr. Savla highlighted the diverse learning opportunities the consortium has begun offering, among other initiatives, campus-based opportunities for undergraduate students through the Integrative Health and Wellness minor, and collaboration with graduate students in the Translational Biology, Medicine, and Health (TBMH) program.

8. Closing Remarks and Adjourn. N. Dye offered brief remarks. The meeting concluded at 9:43 am.

RESOLUTION TO AMEND THE FACULTY HANDBOOK DESCRIPTION OF ADMINISTRATIVE SUPPORT FOR UNIVERSITY DISTINGUISHED PROFESSORS

WHEREAS, the title of University Distinguished Professor is awarded to the most outstanding faculty at the university; and

WHEREAS, the University Distinguished Professors report directly to the President of the university; and

WHEREAS, administrative support for, and report of, the activities of University Distinguished Professors may, in limited instances, be made more efficient by allowing the President to delegate so tasks to the Executive Vice President and Provost and the Vice Provost for Faculty Affairs.

NOW, THEREFORE, BE IT RESOLVED that the Faculty Handbook, section 3.2.3, be amended as shown below with changes noted in red.

RECOMMENDATION:

That the changes to the Faculty Handbook as described above and attached be approved.

March 25, 2025

3.2.3 University Distinguished Professor

General conditions and definitions: The University Distinguished Professorship (UDP) is a pre-eminent faculty rank bestowed by the university's Board of Visitors upon members of the university faculty whose scholarly attainments have attracted national and/or international recognition. There is no quota by college or department.

Nomination and selection: Each academic year the president and provost determine if there will be one or more appointments to the rank of University Distinguished Professor and, if appropriate, issue a call to the academic deans for nominations. The deans, in turn, invite nominations from academic departments or schools.

Screening procedures at departmental, school, and college levels involve personnel or executive committees in place. Nominations are accompanied by a full dossier of relevant materials including a current curriculum vitae, letters of nomination from both the department or school and college screening committees, and letters of support and other evidence attesting to the scholarly reputation of the nominee(s).

The provost appoints a University Distinguished Professor selection committee that includes one current Alumni Distinguished Professor, two current University Distinguished Professors, and one faculty member recommended by the Commission on Faculty Affairs. The committee reviews the nominations and makes a recommendation to the president. The president makes the final judgment at the university level and, if that judgment so determines, takes the recommendation to the Board of Visitors for approval.

Responsibilities: The rank of University Distinguished Professor is conferred by the university and is considered a university appointment (as distinct from a department, school, or college appointment). While the professor is nominated by department, school, and college colleagues, and continues to serve the discipline and department or school of origin, the perquisites and responsibilities of each University Distinguished Professor are fixed by the university.

The president annually adjusts the salary of University Distinguished Professors after consultation with the provost and dean of the relevant college.

The sole responsibility of the University Distinguished Professors is to continue their professional engagement and development at the same high level evident at the time of appointment. They are free to define the exact nature of their work after consultation with the dean of the college and the professor's head, chair, or school director. They are expected to engage fully with their colleagues in the governance of their departments.

At the same time, they are encouraged to teach, when invited, in other departments or schools of the university or in college or university courses (e.g., honors). They may also elect, in a given term, to devote all of their energies to research, scholarship, or Extension activities. In shaping their plans of work, the University Distinguished

Professors take full cognizance of department or school, and college needs and expectations. Their principal responsibility is to serve the university by giving their talents and sharing of their competencies where, in their judgments, they are most effectively employed.

It is the university's responsibility to provide such support as seems necessary to sustain the high level of performance expected of University Distinguished Professors. On behalf of and at the direction of the President, the administrative aspects of the University Distinguished Professors' appointments are overseen by the Executive Vice President and Provost and managed by the Vice Provost for Faculty Affairs.

Term: Incumbents carry the rank of University Distinguished Professor until resignation or retirement from the university, subject to the usual standard of continuous high performance. The rank is conferred only by the university Board of Visitors and is altered by that body alone, on the recommendation of the president.

RESOLUTION TO AMEND THE FACULTY HANDBOOK DESCRIPTION OF CLINICAL FACULTY RANKS

WHEREAS, the Faculty Handbook describes all position titles and duties for faculty; and

WHEREAS, the clinical instructor and clinical professor series require additional detail regarding the expectations of these positions and the distinctions between the two; and

WHEREAS, ranks within the clinical instructor track need to be brought in alignment with the non-clinical instructor track.

NOW, THEREFORE, BE IT RESOLVED that the Faculty Handbook, section 5.1.4, be revised as shown below with changes noted in red.

RECOMMENDATION:

That the changes to the Faculty Handbook as described above and attached be approved.

March 25, 2025

5.1.4 Clinical Faculty Series

Faculty members with responsibilities primarily in instruction and/or service in a clinical setting such as veterinary or human medicine are considered clinical faculty. Clinical faculty appointments are intended to promote and retain clinical educators and to complement the clinical activities of the university. The clinical faculty ~~track~~ series provides for long-term, full-time, or part- time faculty appointments to individuals whose primary responsibilities are in clinical settings and in ~~the~~ instructional programs.

Clinical faculty with distinctive assignments and work schedules will have these responsibilities conveyed upon their initial appointment. While initial appointment is typically at the entry rank, prior experience may be considered for a recommendation of appointment at a higher rank with the approval of the Promotion and Tenure departmental committee and head, chair, or school director.

Promotion in rank is neither a requirement of continued employment, nor an entitlement for continued years of service. Tenure is not awarded at any of these ranks and all service at any clinical instructor or professor rank is excluded from the pre-tenure probationary period if the faculty member is subsequently appointed to a tenure-track position. Faculty members within the clinical instructor ranks may not chair a graduate committee. ~~Time spent in one of these ranks is not applicable toward pre-tenure probationary tenure-track faculty service.~~

The clinical faculty series is divided into two tracks: clinical instructor and clinical professor.

5.1.4.1 Clinical Instructor Track

~~**Clinical Instructor**: Persons appointed to this rank must have the appropriate professional degree. Preference is given to individuals eligible for, or certified by, the most appropriate specialty college or organization recognized by the profession. Appointments at this rank are typically for one year and are renewable.~~

The responsibilities of a person appointed to one of the clinical instructor ranks in an academic department are focused on service and professional instruction in a clinical setting, with no expectation for development of an independent program of research or scholarship. Clinical instructors may have additional instructional duties in classroom and laboratory settings, typically related to clinical practice. A professional degree is the usual minimum educational credential for an appointment to the clinical instructor ranks. Clinical instructor series faculty are generally appointed to 1-, 3-, or 5- year renewable contracts depending on their rank.

The clinical instructor ranks include clinical instructor, advanced clinical instructor, and senior clinical instructor.

Clinical Instructor: Persons appointed to this rank must have the appropriate professional degree. Primary responsibilities are to clinical service and the clinical instructional program, but assignments vary depending on the faculty member’s expertise and experience and departmental needs. Duties may include clinical service, teaching professional and graduate students in clinical settings, advising clinical interns and residents, and lecturing in professional courses. Appointments at this rank are typically for one year and are renewable. A minimum of five years at the clinical instructor rank is required before consideration for promotion to advanced clinical instructor.

Advanced Clinical Instructor: In addition to the requirements for Clinical Instructor, persons appointed or promoted to this rank must demonstrate significant evidence of related professional growth such as advanced clinical training and continued professional development. Advanced clinical instructors are expected to demonstrate mastery in experiential education with significant impact on student learning in a clinical setting. Promotion to the advanced clinical instructor rank is generally accompanied by a renewable three-year contract. A minimum of five years at the advanced clinical instructor rank is required before consideration for promotion to senior clinical instructor.

Senior Clinical Instructor: Senior clinical instructor is the capstone rank in the clinical instructor series and promotion to this rank denotes exemplary clinical service and instruction. Senior clinical instructors may have considerable responsibility in mentoring colleagues or professional clinical trainees, overseeing clinical service activities, or other responsibilities reflecting their role as clinical service and instructional leaders. Promotion to the rank of senior clinical instructor is generally accompanied by a renewable five-year contract.

Further detail on the duties and responsibilities of these ranks, criteria and the process for promotion, and the terms and conditions of employment for clinical faculty are established by the respective academic departments or schools and approved by an appropriate college-level committee and the dean and shared with the faculty member upon their initial appointment.

5.1.4.2 Clinical Professor Track

~~**Clinical Professor Series.**~~ The clinical professor ~~series~~ track is designed for clinical faculty members who have extended appointments and who are expected to interact with graduate or professional students/residents and interns, serving on committees or supervising their training. ~~While clinical faculty may~~ Persons appointed in the clinical professor ranks are expected to ~~conduct~~ engage in scholarship and research and present their findings in professional venues, though there are no expectations ~~for~~ of an extensive research program as is typical of tenure-track faculty appointments. Appointment to one of these ranks may be from one to five years and is renewable without limit. Usually, a national search is conducted for appointment at one of these ranks (or an approved exemption sought for exceptional skills or similar justification).

A record of significant professional achievement is expected for appointment at the clinical associate professor or clinical professor level; initial appointments at such ranks require approval of the appropriate departmental or school committee and head, chair, or school director. The clinical professor ranks include clinical assistant professor, clinical associate professor, and clinical professor.

Clinical Assistant Professor: Persons appointed to this rank must have the appropriate professional or terminal degree and evidence of related professional qualifications or activities (including but not limited to activities or certification by a relevant professional organization and eligibility for, or certification by, the most appropriate specialty college recognized by the professional organization). Credentials shall be consistent with those for appointment to a tenure- track assistant professor, with an expectation for primary commitment to the instructional and clinical teaching setting. Duties may include clinical service, teaching professional and graduate students in clinical settings, advising clinical interns and residents, and lecturing in professional courses. Clinical assistant professors are expected to engage in scholarship and research and present their findings in professional venues, though there is no expectation of an extensive research program as is typical of tenure-track faculty appointments.

Clinical Associate Professor: Persons appointed to this rank must have the appropriate professional or terminal degree and continued evidence of related professional qualifications or activities, including but not limited to activities or certification by a relevant professional organization and, when relevant to their discipline, be a diplomate in the appropriate specialty college recognized by their professional organization. Credentials shall be consistent with those for appointment to associate professor, with an emphasis on clinical accomplishments. Duties may include a caseload at or above the average for assistant professors within the same clinical service, mentoring colleagues or clinical residents, student advising, course or curriculum development, and/or exemplary service or outreach. Clinical associate professors are expected to engage in scholarship and research and present their findings in professional venues, though there is no expectation of an extensive research program as is typical of tenure-track faculty appointments. Distinguished professional achievement and evidence that their scholarly activities enhance their clinical discipline is expected. This evidence should include activities and accomplishments demonstrating a trajectory towards national reputation and impact.

Clinical Professor: Persons appointed to this rank must have the appropriate professional or terminal degree and continued evidence of related professional qualifications or activities, including but not limited to activities or certification by a relevant professional organization and, when relevant to their discipline, be a diplomate in the most appropriate specialty college recognized by their professional organization. Credentials shall be consistent with those for appointment to professor, with an emphasis on clinical accomplishments. Clinical professors may have considerable responsibility in mentoring colleagues or professional clinical trainees, overseeing clinical service activities, or other responsibilities reflecting their role as clinical service and instructional leaders. Clinical professors are expected to engage in scholarship and research and present their findings in professional venues, though there is no expectation of an extensive research program as is typical of tenure-track faculty appointments. Distinguished professional achievement and evidence that their scholarly activities enhance their clinical discipline is expected. This evidence should include activities and accomplishments demonstrating achievement of a national or international reputation and impact.

Further detail on the duties and responsibilities of these ranks, criteria and the process for promotion, and the terms and conditions of employment for clinical faculty are established by the respective academic department or school and approved by an appropriate college-level committee and the dean and shared with the faculty member upon their initial appointment.

RESOLUTION TO AMEND THE FACULTY HANDBOOK REGARDING ETHICS OF INTIMATE RELATIONSHIPS INVOLVING FACULTY

WHEREAS, the Faculty Handbook describes the professional and ethical expectations of all faculty; and

WHEREAS, relationships involving faculty and those they supervise may arise but require specific action to mitigate bias and reduce the potential for exploitation; and

WHEREAS, ethical expectations that faculty do not engage in intimate relationships with those they supervise are stated but require additional clarification, and a procedure presently does not exist for disclosure in the event of the emergence of such relationship.

NOW, THEREFORE, BE IT RESOLVED that the Faculty Handbook, Section 2.25, be amended as shown below with changes marked in red.

RECOMMENDATION:

That the changes to the Faculty Handbook as described above and attached be approved.

March 25, 2025

Faculty Handbook, Section 2.25 (excerpt)

~~Consensual~~ Intimate Relationships. It should be understood by all members of the university community that ~~consensual~~ amorous or sexual relationships (hereinafter referred to as ~~consensual~~ intimate relationships) that occur in the context of educational or employment supervision and evaluation present serious ethical concerns and potential for bias or the perception thereof. All faculty have an obligation to eliminate any actual or perceived conflict of interest to maintain integrity and credibility for themselves and the university. Intimate relationships between supervisors and employees they directly supervise may violate university policy. ~~Consensual~~ Intimate relationships between faculty and students enrolled in their classes or students for whom they have professional responsibility as advisor or supervisor ~~violate the policy on professional ethics and responsibilities~~ contravene the Statement of Principles of Ethical Behavior. ~~Further, such relationships and may be a violation of non-discrimination and/or harassment prevention policies. Similarly, consensual romantic relationships between supervisors and employees they directly supervise violate university policy.~~

Faculty members or others performing instructional, mentoring, or academic advising duties and supervisors involved in ~~consensual~~ intimate relationships must remove themselves from any activity or evaluation that may reward or penalize the affected student or employee. To do so, faculty members are expected to disclose such a relationship to their department head, chair, or school director or other direct supervisor and work with them to identify and implement appropriate mitigating measures to change the supervisory structure. Failure to do so may lead to ethical investigations if reported to the Faculty Senate Committee on Ethics, and possible sanctions in accordance with the provisions of the Faculty Handbook governing that faculty member's employment category.

~~Consensual~~ Intimate relationships between faculty and students are particularly susceptible to exploitation. An objective supervisory evaluation cannot exist if such a relationship exists. Moreover, t~~T~~he respect and trust accorded a professor by a student, as well as the power exercised by the professor in giving praise or blame, assigning grades, and providing recommendations for further study and future employment, ~~make~~ may undermine the voluntary nature of consent by the student ~~suspect~~, given the fundamentally asymmetric nature of the relationship.

Faculty and supervisors should be aware that engaging in ~~consensual~~ intimate relationships with students or employees they supervise could make them liable for formal action. Even when both parties have consented to the development of such a relationship, it is the faculty member or supervisor who, by virtue of one's special responsibility, may be held accountable for unprofessional behavior. Complaints to the Faculty Senate Committee on Ethics ~~alleging discrimination and/or harassment, as defined above,~~ may be filed by either party to the ~~consensual~~ intimate relationship or by ~~an aggrieved~~ a third party outside the relationship.

For any report involving alleged nonconsensual sexual activity between a faculty member and a student, this section—including any process offered through the Faculty Senate Committee on Ethics—is superseded by university policies 1025 and 1026 and the procedures referenced therein. Policy 1025 and Policy 1026 both prohibit sexual harassment—including *quid pro quo harassment* (*i.e.*, a university employee conditioning educational benefit or service upon a person's participation in sexual conduct) and various forms of sexual violence. Any faculty member who becomes aware of an allegation of nonconsensual sexual activity between a faculty member and a student must report that allegation to the university's Office for Civil Rights Compliance and Prevention Education as required by university policy.

RESOLUTION TO AMEND THE FACULTY HANDBOOK REGARDING PROCEDURES FOR PROMOTION AND TENURE AND RELATED APPEALS

WHEREAS, the Faculty Handbook describes procedures related to promotion and tenure for faculty; and

WHEREAS, clarity regarding the procedures for seeking promotion and/or tenure is essential for equitable evaluation of such cases; and

WHEREAS, appeals processes for negative decisions and compositions of the committees rendering such decisions are necessary for faculty of all ranks in the tenure-track series.

NOW, THEREFORE, BE IT RESOLVED that the Faculty Handbook, Sections 3.4, 3.4.3, 3.4.4, and 3.5, be amended as shown below with changes marked in red.

RECOMMENDATION:

That the changes to the Faculty Handbook as described above and attached be approved.

March 25, 2025

3.4 Promotion and Tenure (excerpt)

Faculty members should contact the department head, chair or school director for guidance on college and department or school “Expectations Guidelines for Promotion and/or Tenure”. In addition, consult “Promotion and Tenure” on the provost’s Faculty Affairs webpage.

The university is committed to academic freedom. Virginia Tech endorses the “1940 Statement of Principles on Academic Freedom and Tenure” of the American Association of University Professors and the Association of American Colleges (AAUP Bulletin, September 1970).

Eligibility. Eligibility for tenure consideration is limited to faculty members with regular faculty appointments of 50 to 100% in an academic department or school in a college. Tenure is not granted to faculty members with temporary appointments or to administrative and professional faculty. Individuals with tenure who are appointed to administrative positions continue to hold tenure in those departments. Full-time administrators with appointments in academic departments or schools who engage in teaching and research may be recommended for tenure in such departments.

Promotion in rank and the granting of tenure are based on contributions made by a faculty member to the university in the areas of teaching, research/creative activities, and service/engagement. Colleges, departments, or schools are responsible for the administration of appropriate policies and procedures for the review and recommendation for promotion and/or tenure within their units.

Reviews. Faculty members being considered for promotion and/or the awarding of tenure have their dossiers reviewed at as many as three levels: (1) departmental/school committee and the head, chair, or school director; (2) college committee and the dean; and (3) the university committee and the provost.

~~Occasionally faculty members are evaluated for a tenured appointment during the probationary period and before the final probationary (mandatory) year. Consult “Promotion and Tenure” and “Non-mandatory P&T” on provost’s Faculty Affairs webpage. If such a case is the first attempt, there is no recourse to appeal or review of a negative decision, at whatever level it is reached, because of the certainty that the evaluation will be undertaken again within a limited time.~~

Once a promotion and/or tenure case has been submitted, it must proceed through the processes outlined in this chapter unless the candidate chooses to withdraw their case.

3.4.3 Departmental or School Evaluation for Promotion and Tenure (excerpt)

Determination of Candidates. In their promotion and/or tenure guidelines, each department or school will have a process for determining which candidates are to be considered for promotion and/or tenure, including those faculty members in the final year of probationary service. Candidates should be identified in the fall semester one year prior to applying for promotion and/or tenure.

If there is disagreement between the faculty member and the department/school about whether the faculty member should be considered for promotion and/or tenure, the faculty member may appeal the department/school decision to the dean of the college if they have at least four years in rank at Virginia Tech and they have requested consideration in writing in the prior year. The appeal must be based on achievement of the department/school and/or college “Expectations Guidelines for Promotion and/or Tenure.” If the dean sustains the department/school negative decision, the faculty member may request a review of the decision by the properly constituted college committee on promotion and tenure. If either the dean or the college committee approve the faculty member’s appeal prior to the completion of the fall term, then their case will be processed in the next promotion and tenure cycle. If the appeal is approved after the fall term, then their case will be processed in the year after the next promotion and tenure cycle.

Department or School Committee Composition: Each department or school must have one or more committees with appropriate faculty representation to evaluate candidates for promotion and tenure, tenure at the currently held rank, and promotion to professor, and make recommendations to the department head, chair, or school director. Voting members for promotion and/or tenure for tenure-track faculty must be tenured. While the process of selecting committees may vary between departments or schools, significant elements of faculty choice, as determined through departmental or school governance, must be part of the selection process. Some possible methods for committee selection include a combination of elected and appointed representatives; an elected slate significantly larger than the committee size, allowing the department head, chair, or school director to appoint the committee from the slate; or a committee elected by the faculty. A minimum committee size of five members is most appropriate to achieve adequate representation and effectiveness of committee operations.

3.4.4 College Evaluation for Promotion and Tenure (excerpt)

College Committee Composition. Each college must have a committee with appropriate faculty representation to review the recommendations on promotion and tenure sent by the department head, chair, or school director. Voting members for promotion and/or tenure for tenure-track faculty must be tenured. While the process of selecting committees may vary between colleges, rules governing eligibility and selection of college committee members and the committee chair, as well as operating guidelines for the committee's deliberations, must be documented and formally approved by the faculty. Significant elements of faculty choice must be part of the selection process. Some possible methods for committee selection include election by the college faculty; appointment by an elected college executive committee; a combination of elected and appointed (by the dean or college executive committee) representatives; or an elected slate significantly larger than the required committee size, thus allowing the dean or college executive committee to appoint the committee from the elected slate approved by the faculty. However, given their responsibility to make a separate and independent recommendation on each case, the dean may not serve as chair of the committee.

As far as possible, each department or school within the college should be represented on the committee. The dean may appoint up to three tenured faculty members to serve on the college committee to assure appropriate representation of disciplines or very large departments or schools, participation by members of underrepresented groups, or other critical considerations to help assure fairness of the process in both fact and perception. Appointments by the dean may not constitute more than a third of the committee's total membership.

The committee may include department heads, chairs, school directors, or department-level promotion and tenure committee members. If department heads or chairs or school directors serve on college committees, their total number must be less than that of other faculty members and they may not vote on cases from their department/school since each has already had an opportunity to vote or make a recommendation on those candidates.

The appointments of faculty members on the committee should be staggered to assure continuity from one year's deliberation to the next. If possible, members should not serve more than two successive terms (three-year terms are typical).

The college faculty representatives to the University Promotion and Tenure Committee must attend college promotion and tenure deliberations as non-voting observers but should not participate or attempt to influence college-level recommendations.

3.5 Appeals of Decisions on Non-Reappointment, Tenure, or Promotion (excerpt)

(for *grievances* see Faculty Grievance Policy and Procedures in this chapter of the faculty handbook)

Appeal. A faculty member who is notified of a negative decision following an evaluation for a term reappointment during the probationary period, for a tenured appointment, or for promotion may appeal for review of the decision under conditions and procedures specified in this section. The appellant has a right to an explanation of the reasons for the denial.

An appeal must be filed, in writing, within 10 university business days of formal notification of the decision, which shall explain the appeal procedures.

An appeal must be based on the following claims only: department or school criteria established in the relevant department or school's promotion and/or tenure guidelines were not appropriately applied; material from a dossier was unavailable to, or disregarded by, reviewers through no fault of the candidate; or information in the dossier was not considered, or that the decision was influenced by improper consideration.

Administrators and committees hearing an appeal must limit the scope of their recommendations to the claims presented above: in particular, they must not substitute their own judgment on the merits of the case for that of the body or individual responsible for the decision under appeal. The recommendations should address the allegations in the appeal with specificity and cite appropriate evidence.

A faculty member can appeal the decision at more than one level. There is no appeal of the president's recommendation to the Board of Visitors or the board's final decision.

Appeals should be resolved as quickly as possible without compromising thoroughness of review. Whenever possible, the appeal should be resolved in time to be reviewed at the first meeting of the Board of Visitors in the fall semester.

A faculty member with questions or concerns about the appeal process or who believes that the procedures described in this section have been improperly followed may, at any point, seek advice from the Faculty Senate Committee on Reconciliation.

Grievance. Consult the Faculty Forms webpage for the grievance form. Additionally, faculty have the option to grieve procedural violations of the promotion and tenure process—including violations of the appeal process presented in this section—after a negative decision on an appeal or instead of filing an appeal in the first place. Since the grievance procedures allow the grievant to state the grievance, they believe they have experienced and the relief they seek, it has a wider range of possible outcomes than the appeal process. However, because it is a slower process that may not be completed until the promotion and/or tenure cases in a given year have been decided, and because faulty cannot grieve “items falling within the jurisdiction of other university policies and procedures,” a grievance should be thought of as a means for faculty to seek an outcome they cannot seek through the appeal process. The grievance process is described in chapter three of this handbook below, “Faculty Grievance Policy and Procedures.”

3.5.1 Appeal of Probationary Non-Reappointment Decision

Faculty members on probationary term appointments should make no presumption of reappointment. The department head, chair, or school director with the advice of the department/school personnel committee or the faculty development committee determines non- reappointment. Notice of non-reappointment is furnished according to the schedule in chapter two of this handbook, “Retirement, Resignation, and Non-Reappointment.”

If the negative decision is based on evaluation of the faculty member's performance, including perceived lack of potential for further professional development, the faculty member may appeal the decision to the dean of the college. If the dean sustains the departmental or school decision, the faculty member may request, through the dean, a further and independent review of the decision by the properly constituted college committee on promotion and tenure.

The faculty member presents the appeal in writing as specified in chapter three of this handbook, “Appeals of Decisions on Reappointment, Tenure, or Promotion.” The faculty member has the right to appear before the committee to present arguments. The college committee makes a recommendation to the dean, who informs the faculty member of the committee’s recommendation and the dean’s subsequent decision. The dean’s decision closes the appeal process, unless it varies from the college committee’s recommendation, in which case the faculty member may appeal to the provost for a final decision. The provost’s decision cannot be appealed.

3.5.2 Appeal of Promotion and/or Tenure Decision (and summary table)

For the purposes of appeal, tenure cases receiving their second review prior to the final year of probation (mandatory year) are treated like mandatory year cases.

Appeal of negative department ~~,~~ **or school** ~~or college~~ **decisions**. Because all tenure cases evaluated in the final year of probation (mandatory year), even those given a negative recommendation by the department or school committee and the head or chair or school director, receive a full college level review, there is no appeal of a negative tenure decision at the department or school level. ~~Cases evaluated in the final year of probation that receive a negative recommendation by the college committee and dean may appeal to the University Promotion and Tenure Committee via the provost.~~

Promotion-only cases and tenure cases in non-mandatory years given a negative recommendation by the department or school committee and the head or chair or school director may appeal to the dean.

~~Cases reviewed a second time within the probationary period whether promotion and/or tenure, if the committee and the relevant administrator both make negative recommendations, the candidate may appeal that negative decision to the next level in the process.~~ The faculty member appealing a departmental decision has the right to appear before the college committee considering the appeal and present arguments. If either the college committee or the dean grants the appeal of a negative department or school decision, the case resumes ~~normal~~ consideration, beginning with the college committee and dean.

If the college committee and the dean both make negative decisions, the appeal is denied and no further appeal is provided.

Appeal of negative college decisions. Promotion and/or tenure cases given a negative recommendation by the college committee and the dean may appeal to the provost.

The faculty member appealing a college decision has the right to appear before the University Promotion and Tenure Committee and present arguments. If either the University Promotion and Tenure Committee or the provost grants the appeal of a negative college decision, the case resumes ~~normal~~ consideration, beginning with the University Promotion and Tenure Committee and the provost.

If the University Promotion and Tenure Committee and the provost both deny the appeal, no further appeal is provided.

~~At either the college or the university level, if the committee and the relevant administrator provost both make negative recommendations decisions, the appeal is denied and no further appeal is provided.~~

Appeal of negative university decisions. Because all recommendations from the University Promotion and Tenure Committee and the provost are forwarded to the president, candidates may appeal negative recommendations ~~of either or both~~ by the provost to the Faculty Senate Review Committee. The faculty member has the right to appear before the committee to present arguments. The Faculty Review Committee investigates the case and makes a recommendation to the president. ~~The Faculty Senate Review Committee makes a recommendation to the president.~~ The president makes a recommendation to the Board of Visitors whose decision is final and cannot be appealed.

Table of appeal options. The following table summarizes the progression of cases (whether promotion and tenure, tenure only, or promotion only) that receive negative recommendations from either a committee, an administrator, or both, including appeal options. References to departments are inclusive of schools and references to department heads or chairs are inclusive of school directors. ~~The table is for reference only.~~

~~**Probationary Period**~~

~~**Decision**~~	~~**Next Step**~~
~~Negative decision after *first* review during probationary period~~	~~No appeal~~
~~Negative decision on *second* review during probationary period~~	~~May appeal to next higher level~~
~~Appeal granted by next higher level~~	~~Moves to next level in process for normal consideration~~

~~**Final/mandatory year**~~

~~**Decision**~~	~~**Next Step**~~
~~Negative recommendation by department committee and by department head or chair~~	~~Moves to college committee and dean~~
~~Negative recommendation by department committee; positive recommendation by department head or chair~~	~~Moves to college committee and dean~~
~~Positive recommendation by department committee; negative recommendation by department head or chair~~	~~Moves to college committee and dean~~
~~Negative recommendation by college committee and dean~~	~~May appeal to University Promotion and Tenure Committee (through the provost)~~
~~Appeal granted by the University Promotion and Tenure~~	~~Moves to University Promotion and Tenure Committee (through the provost)~~
~~Negative recommendation by college committee; positive recommendation by dean~~	~~Moves to University Promotion and Tenure Committee and provost~~
~~Positive recommendation by college committee; negative recommendation by dean~~	~~Moves to University Promotion and Tenure Committee and provost~~
~~Negative recommendation by the provost~~	~~May appeal to Faculty Review Committee, recommendation is advisory to the president.~~
~~Negative recommendation by president~~	~~No appeal~~
~~Negative decision by the Board of Visitors~~	~~No appeal~~

DECISION / RECOMMENDATION	**NEXT STEP**
Positive by department committee and by the department head or chair	Moves to college committee and dean
Negative by department committee; positive by department head or chair	Moves to college committee and dean
Positive by department committee; negative by department head or chair	Moves to college committee and dean

Negative by department committee and by department head or chair	~~Pre-tenure~~ Mandatory year: Automatically moves to college committee and dean All other cases: May appeal to the dean
Appeal granted by the dean and/or the college committee	*Resumes ~~standard~~ review process in the college*
Appeal denied by both the dean and the college committee	*Process complete*
Positive by college committee and by the dean	Moves to University Promotion and Tenure Committee and provost
Negative by college committee; positive by dean	Moves to University Promotion and Tenure Committee and provost

DECISION / RECOMMENDATION	**NEXT STEP**
Positive by college committee; negative by dean	Moves to University Promotion and Tenure Committee and provost
Negative by college committee and the dean	May appeal to University Promotion and Tenure Committee (via the provost)
Appeal granted by the University P&T Committee or provost	*Resumes ~~standard~~ review process at the university level*
Appeal denied by the University P&T Committee and provost	*Process complete*
Negative by the provost	May appeal to Faculty Review Committee
Faculty Review Committee makes recommendation to president	*President makes recommendation to Board of Visitors*
Negative by president	No appeal
Negative by the Board of Visitors	No appeal

RESOLUTION TO APPROVE CLOSURE OF DEPARTMENT OF APPAREL, HOUSING, AND RESOURCE MANGEMENT (AHRM)

MATERIALS INCLUDED

- Resolution
- SCHEV Proposal

RESOLUTION TO APPROVE CLOSURE OF DEPARTMENT OF APPAREL, HOUSING, AND RESOURCE MANGEMENT (AHRM)

Academic Area: College of Liberal Arts and Human Sciences

The Department of AHRM will be closed and all academic programs, personnel, and resources will be transferred to the School of Design in the College of Architecture, Arts, and Design.

The closure of the department will align the academic, research, and scholarship portfolio of the College of Liberal Arts and Human Sciences and the School of Design in the College of Architecture, Arts and Design. Closing the department will foster strategic faculty and student collaboration in both colleges. The closure of the department was approved by the faculty in October of 2024.

RECOMMENDATION:

That the resolution for the closure of the Department of Apparel, Housing, and Resource Management (AHRM) in the College of Liberal Arts and Human Sciences be approved and the proposal forwarded to the State Council of Higher Education for Virginia (SCHEV) for approval.

March 25, 2025

Table of Contents

Institution
Virginia Polytechnic Institute and State University

Nature of Proposed Change
Virginia Polytechnic Institute and State University (Virginia Tech) requests approval to reorganize the College of Architecture, Arts, and Design, School of Design and to close the Department of Apparel, Housing, and Resource Management in the College of Liberal Arts and Human Sciences.

Appendix A presents the existing organizational structure of the College of Liberal Arts and Human Sciences.
Appendix B presents the proposed organizational structure of the College of Liberal Arts and Human Sciences after the reorganization.

Background
The College of Liberal Arts and Human Sciences was established in 2003. The college oversees academic units that focus on broad areas of liberal arts and human sciences academic programs, such as communication, education, and political science. The College of Liberal Arts and Human Sciences has thirteen (13) academic units consisting of three (3) schools and ten (10) departments including the Department of Apparel, Housing, and Resource Management. The Department of Apparel, Housing, and Resource Management was established in 2003. The purpose of the department was and remains to administer a degree program focused on fashion merchandising and design, residential environments and design, property management, and consumer studies.

Virginia Tech established a standalone College of Architecture in 1964. In 1976, the college was renamed the College of Architecture and Urban Studies. The college was renamed the College of Architecture, Arts, and Design in 2022. The college oversees academic units that focus on architecture, the visual and performing arts, and design disciplines. The College of Architecture, Arts, and Design has four (4) academic units including the School of Design. The School of Design was established in 2022. The purpose of the school was and remains to administer academic programs with design elements central to the discipline such as interior design, industrial design, and landscape architecture.

On June 7, 2024, the Executive Vice President and Provost met with the Dean of the College of Liberal Arts and Human Sciences and the Department Head of the Department of Apparel, Housing, and Resource Management to discuss the Department of Apparel, Housing, and Resource Management. During the meeting, the group discussed the goals of the college, the status of the department and its portfolio including academic programs and research, personnel, and resources. The group also discussed the results of the most recent institutional Academic Program Review conducted in the Fall of 2023 and submitted to the Department Head and the Dean’s Office in early Spring 2024. The recommendations of the report included: 1. Increasing student enrollment, 2. Enhancing collaboration with the School of Design and relevant departments, 3. Evaluating common academic and research activities for potential partnerships across the institution, and 4. Seeking external resources for goals beyond current departmental capabilities. As part of the discussion, relocation and closure of the department was considered.

The group determined that the best course of action for faculty, staff, and students in the department would be to close the department and relocate the degree program and minor programs to the College of Architecture, Arts and Design, School of Design.

On June 18, 2024, a meeting between the Deans of the College of Liberal Arts and Human Sciences and the College of Architecture, Arts, and Design, the Department Head of the Department of Apparel, Housing, and Resource Management, and the Director of the School of Design was held to discuss the possibility of moving the Apparel, Housing, and Resource Management degree program and minor programs to the School of Design in the College of Architecture, Arts, and Design. As part of this meeting, the group discussed the potential impact of the relocation of the Department of Apparel, Housing, and Resource Management's faculty, staff, and students to both the Department of Apparel, Housing, and Resource Management and the School of Design. It was decided that the group would further investigate the process, requirements, and impacts of closing an academic unit and relocating the degree program and minor programs to another academic unit. The group also planned to meet with the faculty of both the Department of Apparel, Housing, and Resource Management and the School of Design to discuss their concerns.

On August 13, 2024, the Deans of the Colleges of Liberal Arts and Human Sciences and Architecture, Arts, and Design, the Department Head of the Department of Apparel, Housing, and Resource Management, and the Director of the School of Design met with the Associate Vice Provost for Degree Innovation and SCHEV Compliance. The group discussed the internal and external processes and requirements for closing a department and relocating the degree program and minor programs to the School of Design.

On August 15, 2024, the Director and the faculty in the School of Design met to discuss the relocation of the degree program, minor programs, faculty, staff, and students from the Department of Apparel, Housing, and Resource Management to the School of Design. The faculty asked questions and raised concerns. Overall, the School of Design faculty was supportive about the opportunities for teaching, research, and growth that would result from the relocation of Apparel, Housing, and Resource Management faculty and staff to the school. The primary concern for the School of Design faculty was related to the impact of school resources on existing degree programs once the Apparel, Housing, and Resource Management degree program was relocated to the school.

On August 19, 2024, the Department Head and the faculty in the Department of Apparel, Housing, and Resource Management met to discuss the closure of the department and the relocation of the faculty and staff to the School of Design. The group reviewed the recommendations from the Academic Program Review as part of this discussion. Overall, faculty members were open to a relocation to the School of Design. Primary questions and concerns expressed during the meeting included job impact (e.g., teaching and research responsibilities), differences in departmental culture, maintenance of the Apparel, Housing, and Resource Management identity for faculty, students and staff once relocated into the school, and the logistics of the transition.

On September 27, 2024, the Director of the School of Design attended the faculty meeting for the Department of Apparel, Housing, and Resource Management to discuss the relocation of the degree program, faculty, staff, and students to the School of Design. The goal of this meeting was for the School of Design Director to meet the Apparel, Housing, and Resource Management faculty and staff, discuss the purpose, focus, and goals of the school, and answer questions regarding the relocation.

On October 4, 2024, the Dean of the College of Architecture, Arts, and Design and School of Design Director met with the Department Head and faculty of the Department of Apparel, Housing, and Resource Management to discuss the relocation of faculty and staff to the School of Design. This meeting provided an opportunity for the faculty to meet and interact with the school director and the dean, ask questions and voice concerns. The Dean and the School Director expressed their commitment to the faculty and staff, the? growth of the Apparel, Housing, and Resource Management degree program and minors, equal and fair representation, and transparency in school leadership.

On October 9, 2024, an anonymous online survey was administered to the eighteen (18) full-time faculty in the Department of Apparel, Housing, and Resource Management. The survey asked participants to vote on closing the department and relocating the degree and minor programs, as well as all personnel, to the School of Design in the College of Architecture, Arts, and Design. Results of the survey indicated seventeen (17) votes yes and one (1) vote no. The results were presented to the Deans of the College of Liberal Arts and Human Sciences and Architecture, Arts, and Design. In December 2024, the Dean of the College of Liberal Arts and Human Sciences recommended to the Executive Vice President and Provost to close the department.

Purpose of Proposed Change
The purpose of the proposed organizational change is to close a department that is no longer needed to administer degree programs and other academic programs.

Mission
The proposed organizational change will not alter or change the university's mission. The mission of Virginia Tech states:

> "Inspired by our land-grant identity and guided by our motto, *Ut Prosim* (That I May Serve), Virginia Tech is an inclusive community of knowledge, discovery, and creativity dedicated to improving the quality of life and the human condition within the Commonwealth of Virginia and throughout the world."

The proposed organizational change will align with Virginia Tech's mission. The proposed reorganization of the College of Architecture, Arts, and Design and closure of the Department of Apparel, Housing, and Resource Management in the College of Liberal Arts and Human Sciences will help both colleges create a more "inclusive" academic unit with the remaining departments. The proposed closure of the department will also ensure the College's departments reflect its academic offerings.

Rationale for Proposed Change
The proposed reorganization of the College of Architecture, Arts, and Design will be

advantageous to the college and university. The proposed reorganization will help the college in two ways: 1) Align the academic, research, and scholarship portfolio of both the College of Architecture, Arts, and Design and the College of Liberal Arts and Human Sciences, and 2) Foster strategic faculty and student collaboration.

Align Colleges' Discipline Portfolio

The academic programs in the Department of Apparel, Housing, and Resource Management are focused on apparel and residential design, property management, and consumer studies. Faculty scholarship and research and the department's outreach and engagement also focus in areas of design and consumer behavior. In this existing organizational structure, the programs are housed within a college with academic units that focus on communication, education, English, history, human development and family science, languages and literatures, philosophy, political science, public and international affairs, religion and culture, science, technology, and society, and sociology.

In contrast, the School of Design in the College of Architecture, Arts, and Design include academic programs focused on design disciplines such as industrial design, interior design, and landscape design. Academic programming and faculty research in the existing department closely align with the focus and academic programming present in the School of Design. Reorganizing the College of Architecture, Arts, and Design and relocating the academic programming and faculty from the Department of Apparel, Housing, and Resource Management to the School of Design, College of Architecture, Arts, and Design will be an important step in creating a cohesive portfolio for the school and college.

Strategic Collaboration

Relocating the academic programming housed in the Department of Apparel, Housing, and Resource Management to the School of Design will allow better alignment for the academic programs and provide opportunities for faculty with similar scholarly interests to collaborate. When related degree programs are housed within the same academic unit with shared leadership and administrative functions, creating collaborative experiences such as co-teaching courses, course scheduling, experiential learning opportunities, and scholarship funding are easier for faculty and students to achieve. Relocating the academic programs, faculty, and staff to the School of Design will provide more opportunities for the students, faculty, and staff to work together to support one another in the field of design at the institution. Faculty from fashion, interior, and residential design, as well as those in consumer behavior and property management, can conduct collaborative projects and create shared experiential learning opportunities focused on consumer needs and sustainability. This move will serve more students and expand learning goals beyond individual degree programs. Centralizing these programs under one School Director, Dean, and college administrative processes will facilitate easier collaboration and ensure cohesive support for all disciplines involved. Thus, the proposed organizational change to close the Department of Apparel, Housing, and Resource Management and relocate the Apparel, Housing, and Resource Management degree program and minors will ensure that faculty and students can easily collaborate across related disciplinary areas.

Academic Units

The proposed reorganization of the college to close the department will not negatively affect any academic units currently in the College of Architecture, Arts, and Design. The proposed organizational change will affect the School of Design in the College of Architecture, Arts, and Design. The existing resources of faculty, funding, and the academic programs in the existing Department of Apparel, Housing, and Resource Management will be relocated to the School of Design in the College of Architecture, Arts, and Design.

The College of Architecture, Arts, and Design has four (4) schools.

School of Architecture
School of Design
School of Performing Arts
School of Visual Arts

Academic Programs
The proposed reorganization will not negatively affect the academic programs in the existing schools in the college. The existing academic programs in the Department of Apparel, Housing, and Resource Management will relocate to the College of Architecture, Arts, and Design, School of Design. No changes will occur to the academic programs as a result of the move to another academic unit.

The existing academic programs in the Department of Apparel, Housing, and Resource Management are:

Bachelor of Science (B.S.) in Apparel, Housing, and Resource Management

Minor in Consumer Studies
Minor in Housing and Society
Minor in Property Management
Minor in Residential Environments

As a result of the reorganization, the following academic programs will be offered in the School of Design:

Bachelor of Science (B.S.) in Apparel, Housing, and Resource Management
Bachelor of Science (B.S.) in Industrial Design
Bachelor of Science (B.S.) in Interior Design
Bachelor of Landscape Architecture (B.L.A.) in Landscape Architecture
Master of Landscape Architecture (M.L.A.) in Landscape Architecture

Minor in Consumer Studies
Minor in Housing and Society
Minor in Industrial Design
Minor in Landscape Architecture
Minor in Property Management
Minor in Residential Environments

Resources/Budget
No changes will occur in the administration of the College of Architecture, Arts, and Design, School of Design as a result of the proposed organizational change. All administrative and staff positions will remain the same. It is expected that the proposed reorganization will result in a change to the College's operating budget. The Department of Apparel, Housing, and Resource Management has a budget of $3,001,837 and the budget will be added to the existing budget of the College of Architecture, Arts, and Design, School of Design as a result of the proposed organizational change.

The existing current budget of the College of Architecture, Arts, and Design is and will continue to be allocated pragmatically between all of the schools within the college. The existing budget of the School of Design is and will continue to be allocated pragmatically between all of the academic programs within the school. School resources are typically funded directly from the Office of the Dean based on number of faculty, facility needs, and related direct expenditures. This process would not change. Each school will continue to have budgetary discretion over the funds allocated to the school.

The existing budget for the Department of Apparel, Housing, and Resource Management will be moved from the College of Liberal Arts and Human Sciences to the College of Architecture, Arts, and Design, School of Design.

<u>Administration</u>
Cost for the administration of the department is $242,143. The Department Head, a full-time faculty member in the department, currently receives $7,000 in additional compensation for serving in the leadership position. The salary is $181,429, including the $7,000 salary stipend, and fringe benefits are $60,714, for a total of $242,143. Once relocated to the School of Design, the total salary and fringe benefits, including the current additional compensation for leadership, will remain the same.

Administrative Support
The department is currently supported by three (3) full-time administrative support staff. The department is currently supported by one (1) full-time communications coordinator. The communications coordinator will report to the Director, School of Design and be responsible for preparing news releases, creating promotional materials, and program marketing. The salary is $46,384 and fringe benefits are $26,709, for a total of $73,093.

The department is currently supported by one (1) full-time administrative and fiscal assistant. The administrative and fiscal assistant will report to the Director, School of Design and be responsible for a range of support tasks such as performing general fiscal management of the budget and clerical duties. The salary is $62,000 and fringe benefits are $30,642, for a total of $92,642.

The department is currently supported by one (1) full-time academic advisor. The academic advisor will report to the Director, School of Design and be responsible for a range of student support tasks such as assisting students with course selection and registration, changes in majors/minors, and referrals for academic support services. The salary is $54,366 and fringe benefits of $28,719, for a total of $83,085.

The total salary for administrative support is $162,750 and fringe benefits are $86,070, for a total of $248,820.

Faculty

Currently, eighteen (18) full-time faculty are in the Department of Apparel, Housing, and Resource Management, including the Department Head. The department has eight (8) tenured faculty, four (4) tenure-track faculty, three (3) professors of practice, and two (2) faculty members on visiting faculty status. The full-time faculty, not including the Department Head, have a total salary of $1,580,320 with fringe benefits of $653,435, for a total of $2,233,755.

The department has one (1) adjunct faculty member. Adjunct faculty are budgeted at $12,500 with no fringe benefits.

No faculty positions will be eliminated as a result of the proposed closure of the department.

The total for salary for faculty is $1,592,820 and the total for fringe benefits is $653,435, for a total of $2,246,255.

Space

The faculty, staff, and resources for the existing Department of Apparel, Housing, and Resource Management will not physically move as a part of the proposed organizational change to reorganize the College of Architecture, Arts, and Design. The department is located in Wallace Hall on the main campus in Blacksburg, VA. The physical space, including offices and meeting rooms, will be reallocated to the College of Architecture, Arts, and Design, School of Design for continued use by the existing personnel. No new space, including office and meeting rooms, will be required for the proposed organizational change.

Miscellaneous

There will be an initial, one-time expenditure of $3,825 to be utilized for the signage (internal to the building), new website/logo, and business cards. The cost will be accommodated by existing resources in the budget of the dean's office in the College of Architecture, Arts, and Design and the existing resources of the Department of Apparel, Housing and Resource Management.

Signage	$250
Business Cards	$1,575
New Website/Logo	$2,000
Total	**$3,825**

Sustainability

The budget presents current expenditures for the Department of Apparel, Housing, and Resource Management in the College of Liberal Arts and Human Sciences. All of the resources for the existing Department of Apparel, Housing, and Resource Management will be reallocated and moved to the College of Architecture, Arts, and Design, School of Design. The Department of

Apparel, Housing, and Resource Management has a budget of $3,098,422 and the budget will be added to the existing budget of the School of Design as a result of the proposed organizational change. Virginia Tech and the College of Architecture, Arts, and Design, School of Design have adequate and sufficient resources to reorganize the college. No new resources will be requested from the state to establish or sustain the proposed organizational change to reorganize the College of Architecture, Arts, and Design, School of Design and to close the Department of Apparel, Housing, and Resource Management in the College of Liberal Arts and Human Sciences.

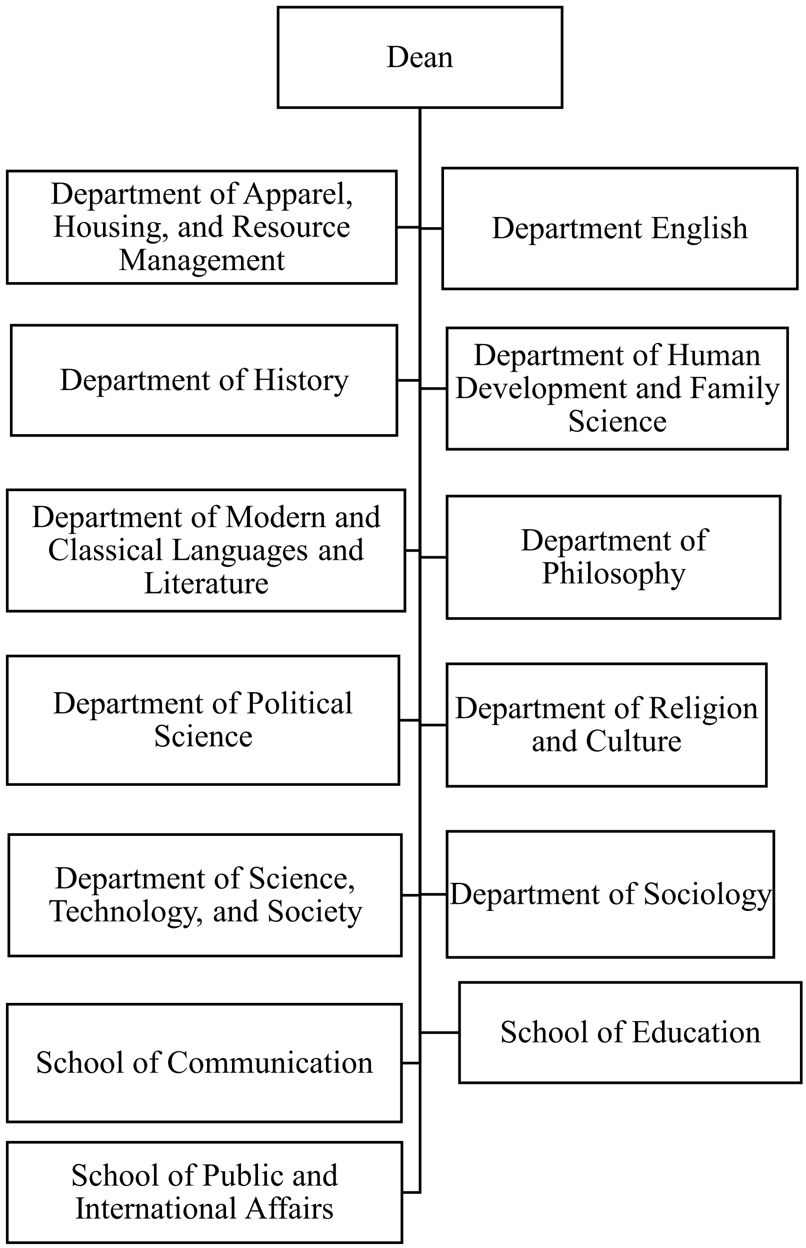
Budget
The budget presents the expenditures for the existing Department of Apparel, Housing, and Resource Management. With the relocation of the existing department resources, no positions will be eliminated.

The proposed reorganization to close the Department of Apparel, Housing, and Resource Management will have minimal impact on the College of Liberal Arts and Human Sciences. The relocation of staff, faculty, and the funding supporting the department will not negatively impact other departments or academic programs in the College of Liberal Arts and Human Sciences. The operational expenses allocation provides for expenditures to include office supplies, travel, instructional supplies, and marketing. All of the costs associated with miscellaneous items have been included in the budget.

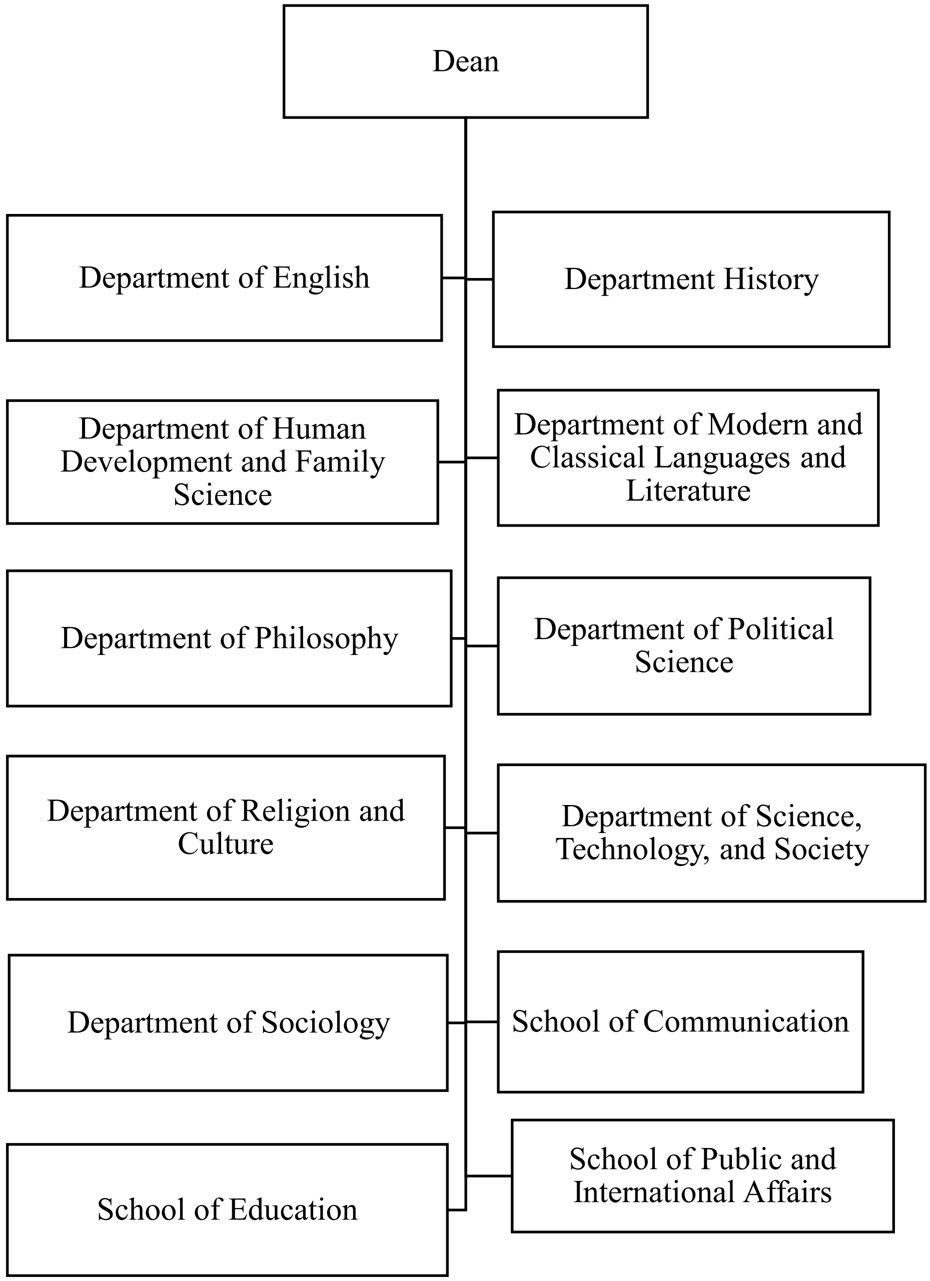
Reorganization Relocate an Academic Unit - Name: Department of Apparel, Housing, and Resource Management						
	Current Budget		Proposed Budget			
Expenditure Category	**HDCT**	**20 24 - 20 25**	**HDCT**	**20 25 - 20 26**	**20 26 - 20 27**	**20 27 - 20 28**
Personnel Salary						
Position Title: Department Head	1	$181,429				
Fringe Benefits		$60,714				
Position Title: Communications Coordinator	1	$46,384	1	$46,384	$46,384	$46,384
Fringe Benefits		$26,709		$26,709	$26,709	$26,709
Position Title: Administrative and Fiscal Assistant	1	$62,000	1	$62,000	$62,000	$62,000
Fringe Benefits		$30,642		$30,642	$30,642	$30,642
Other Personnel (specify in text): Academic Advisor	1	$54,366	1	$54,366	$54,366	$54,366
Fringe Benefits		$28,719		$28,719	$28,719	$28,719
Administration Subtotal	4	$490,963	3	$248,820	$248,820	$248,820
Faculty	18	$1,592,820	19	$1,774,249	$1,774,249	$1,774,249
Fringe Benefits		$653,435		$714,149	$714,149	$714,149
Faculty Subtotal	18	$2,246,255	19	$2,488,398	$2,488,398	$2,488,398
Student Support						
Student Workers						
Graduate Teaching Assistant						
Graduate Research Assistant						
Student Support Subtotal	0	$0	0	$0	$0	$0
Operating Expenses						
Office Supplies		$95,434		$95,434	$95,434	$95,434
Instructional Supplies		$161,704		$161,704	$161,704	$161,704
Travel		$54,093		$54,093	$54,093	$54,093
Marketing		$47,473		$47,473	$47,473	$47,473
Conference/Professional Development		$2,500		$2,500	$2,500	$2,500
Other Costs (specify in text)				$3,825		
Operating Expenses Subtotal		$361,204		$365,029	$361,204	$361,204
Total	**22**	**$3,098,422**	**22**	**$3,102,247**	**$3,098,422**	**$3,098,422**

Appendices

Appendix A – Current Organizational Structure
College of Liberal Arts and Human Sciences Organizational Chart



Appendix B – Proposed Organizational Structure
College of Liberal Arts and Human Sciences Organizational Chart



RESOLUTION TO APPROVE OF BACHELOR OF SCIENCE (B.S.) IN GEOGRAPHY DEGREE DESIGNATION

MATERIALS INCLUDED

- Resolution
- Overview of Proposal
- Degree Designation Proposal

RESOLUTION TO APPROVE OF BACHELOR OF SCIENCE (B.S.) IN GEOGRAPHY DEGREE DESIGNATION

Academic Area: College of Natural Resources and Environment

Requested initiation: Fall 2025

Virginia Tech currently offers the Bachelor of Arts (B.A.) in Geography degree program. As the field of geography has evolved, advancements in technologies including digital mapping and visualization, spatial analysis, and big data, and the integration of other disciplines (e.g., computer science), more technical focus areas have emerged (e.g., geographic information systems (GIS) and remote sensing). These areas align more closely with a B.S. degree designation than the B.A. degree designation.

The B.S. degree designation is needed to address the technical skills aligned with positions such as geographic information systems specialists, geospatial analysts, and remote sensing specialists.

Six SCHEV peer institutions offer both the B.A. and the B.S. in Geography. The addition of the B.S. degree designation would allow Virginia Tech to align with the six (6) institutions that offer both degree designations in the field of geography.

RECOMMENDATION:

That the resolution to approve a Bachelor of Science in Geography degree designation be approved and the proposal forwarded to the State Council of Higher Education for Virginia (SCHEV) for approval.

March 25, 2025

B.S. Degree Designation in Geography

Purpose: To prepare students with the knowledge and skills needed for entry-level positions in geography, cartography, geography information science, remote sensing, or graduate programs in physical or social sciences. The B.S. degree designation program has been developed to provide students with a focus and more rigorous courses in mathematics, geographic information systems, programming, and remote sensing.

Credits: 120 credits, 21 core curriculum, 4 Major Coursework, 16 GIST Option,18 Restricted Electives (9-12 Geospatial & 6-9 Geography), **59 credits in the B.S. Geography degree/major.**

Selected Courses (* required courses)

GEOG 2084*	Principles of Geographic Information Systems *(3 Lec, 3 Crd)*
GEOG 3314*	Cartography *(2 Lec, 3 Lab, 3 Crd)*
CS 1064*	Introduction to Programming in Python (*3 Lec, 3 Crd)*
GEOG 4084*	Modeling with GIS *(1 Lec, 6 Lab, 3 Crd)*
GEOG 4314*	Spatial Analysis in Geographic Information Systems *(2 Lec, 3 Lab, 3 Crd)*
GEOG 4324*	Algorithms in GIS *(3 Lec, 3 Lab, 4 Crd)*
GEOG 4354*	Introduction to Remote Sensing *(2 Lec, 3 Lab, 3 Crd)*
GEOG 4254	R Programming for Geospatial Applications *(3 Lec, 3 Crd)*
GEOG 4394	Introduction to Web Mapping *(3 Lec, 3 Crd)*
GEOG 4404	Geovisualization *(3 Lec, 3 Crd)*

Peer Institutions with BA/BS Geography

- Virginia: GMU, JMU, ODU, Radford
- SCHEV: Michigan State, Ohio State, Penn State, Florida, Minnesota, Wisconsin

Need and Demand

- More competitive for job placement via scientific specialization that is absent from the current B.A.
- Alumni have reported a strong need for the B.S. designation to produce students that are more competitive.
- GIS minors growth from 2 to 153 from 2016 to 2025 and 78 to 153 from 2020 to 2025.

Employment Skills

- Analyze the distribution of physical geographic features, natural resources, and ecosystems across different regions.
- Assess the impact of human population patterns, cultural practices, and economic activities on natural environments.
- Compile and integrate geographic data from various sources, including field observations, satellite imagery, and existing databases.
- Create and modify maps using GIS software and cartographic principles.
- Evaluate data using geospatial technologies (e.g., remote sensing).
- Develop reports and presentations to communicate complex geographical information to diverse audiences.
- Create ethical guidelines for the use of geospatial technologies and data.

No new resources; Projected enrollment of 100 in the combined BA/BS Geography degree

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Description of the Proposed Program

Program Background

Virginia Polytechnic Institute and State University (Virginia Tech) is requesting approval to add a Bachelor of Science (B.S.) in Geography degree designation to the existing Bachelor of Arts (B.A.) in Geography. The proposed B.A./B.S. degree program in Geography will be located in the College of Natural Resources and Environment, Department of Geography. The new degree designation would be initiated in Fall 2025.

The purpose of the proposed B.S. in Geography degree designation is to prepare students with the knowledge and skills needed for entry-level positions in geography, cartography, geography information science, remote sensing, or graduate programs in physical or social sciences. The B.S. degree designation program has been developed to provide students with a focus and more rigorous courses in mathematics, geographic information systems, programming, and remote sensing. Students will learn about the fundamentals of geographic theory, human impacts on the environment, and the analysis of geographic data. The curriculum will provide students with knowledge of the physical and human patterns and processes that shape the earth's surfaces, the living organisms (e.g., plants, animals, people) that inhabit a location, and the natural and built environments. Students will learn about how natural and human-made phenomena impact the environment in different types of landscapes across the planet. Coursework will also provide knowledge and skills related to the technical aspects of collecting geographic data (e.g., fieldwork, mapping) and the geospatial science theory and skills needed to organize, analyze, and identify trends, patterns, and relationships in the data. Students will learn how to use technologies such as global positioning systems (GPS), geographic information systems (GIS), satellite imagery, and remote sensing. Graduates of the program will be prepared to undertake projects that involve hypothesis testing and complex data analysis using spatial and geographic data. These projects support governments, businesses, academic research, or industry on topics like environmental sustainability, urban planning, geospatial data management and analysis, and public policy. Graduates with the proposed B.S. degree designation in Geography will be prepared to serve in roles such as geographers, cartographers, and GIS analysts in a wide variety of career paths such as academia, private firms, non-profit and non-governmental organizations, and state, local, and federal government agencies.

During the October 2, 2019 faculty meeting, the Department Chairperson initiated a discussion with the program faculty regarding adding a B.S. degree designation to the B.A. in Geography degree program. As part of this discussion, faculty reviewed the state of the geography field and other similar academic programs.

On January 18, 2020, the Department Chairperson directed the Geography Curriculum Committee to evaluate the need for the B.S. designation. The curriculum committee reviewed the current geography curriculum, SCHEV peer institution geography degree programs, and employment demand for a B.S. designation in Geography. On April 1, 2020, the Geography Curriculum Committee presented their research, including a recommendation to add the B.S. designation to the B.A. in Geography, to the program faculty and the department chairperson.

During this same time, the department conducted a systematic review of the degree program as part of the ongoing comprehensive review required by the institution every 5-6 years. As part of this review process, the program faculty produced a self-study report, the Academic Program Review Report Self-Study, that included an evaluation of the degree program's focus and purpose, curriculum, student learning outcomes, and program outcomes. On October 1, 2020, the Department submitted the Academic Program Review Report Self-Study to the college, the Institution's Academic Program Assessment office, and the Academic Program Review Committee. The Academic Program Review Committee consists of four external reviewers and the Associate Director of Institutional Effectiveness at Virginia Tech. The recommendation to add the B.S. designation to the degree program was included in the report.

Also during the fall 2020 semester, the Dean of the College of Natural Resources and Environment requested that departments create plans for the future of academic programming in their respective departments. On September 23, 2020, based on the results of the curriculum committee's review and the Academic Program Review Report Self-Study, the department chairperson submitted a comprehensive strategic plan to "enhance excellence of undergraduate programs" that included the addition of the B.S. Geography degree designation. The plan was approved by the Dean on September 21, 2020.

On January 14, 2021, the department chairperson held a meeting with the college dean, the academic associate dean, department heads, program faculty, and members of the dean's advisory council to discuss the plans to add the degree designation. During the meeting, participants asked questions and provided feedback on the designation addition. There was agreement amongst the participant that the B.S. designation was needed.

On March 26, 2021, the program faculty voted and unanimously approved the addition of the B.S. in Geography degree designation. No further action occurred until spring 2024 as the program faculty worked with the institution's Office of the University Registrar and Enrollment Management to discuss the internal requirements for a new degree designation, major, and option including internal steps and timeline as well as strategies for enrollment for the degree, designations, majors, and subareas. These discussions informed the program faculty to propose the new degree designation with the major and option as subareas.

On March 14, 2024, the department chairperson reinitiated the discussion to add the B.S. designation to the degree program. The faculty voted again to unanimously approve to the addition of the B.S. designation to the B.A. in Geography degree program.

On October 22, 2024, the College of Natural Science and Environment Curriculum Committee voted unanimously to propose the addition of the B.S. degree designation to the existing B.A. in Geography degree program.

Institutional Mission

The proposed B.S. degree program aligns well with the mission of Virginia Tech. The University's mission statement is:

> "Inspired by our land-grant identity and guided by our motto, *Ut Prosim* (That I May Serve), Virginia Tech is an inclusive community of knowledge, discovery, and creativity dedicated to improving the quality of life and the human condition within the Commonwealth of Virginia and throughout the world."

The proposed B.S. designation in Geography aligns with the institution's mission by creating an inclusive community to educate students in geographical concepts and technical skills to enhance human-environment systems and "improve that quality of life" in "Virginia and throughout the world." Students will be prepared to apply geographical techniques to collect, analyze, and interpret data to solve complex geographical challenges through "discovery and creativity."

Addition of Degree Designation

The table shows the curriculum requirements for the current B.A. degree designation and the proposed B.S. degree designation.

B.A. and B.S. in Geography Degree Designations

Current B.A. Curriculum	**Cr. Hrs**	**Proposed B.S. Curriculum**	**Cr. Hrs**
Pathways General Education – 42-45 credits		**Pathways General Education – 42-45 credits**	
Concept 1: Discourse – 9 credits		*Concept 1: Discourse – 9 credits*	
ENGL 1105: First-Year Writing Or COMM 1015: Communication Skills	3	ENGL 1105: First-Year Writing Or COMM 1015: Communication Skills	3
ENGL 1106: First-Year Writing Or COMM 1016: Communication Skills	3	ENGL 1106: First-Year Writing Or COMM 1016: Communication Skills	3
Additional Discourse Course	3	COMM 2004: Public Speaking Or ENGL 3764: Technical Writing Or ENGL 3844: Writing and Digital Media Or HIST 2624: Topics in the History of Data in Social Context	3
Concept 2: Critical Thinking in the Humanities – 6 credits	6	*Concept 2: Critical Thinking in the Humanities – 6 credits*	6
Concept 3: Reasoning in the Social Sciences – 6 credits	6	*Concept 3: Reasoning in the Social Sciences – 6 credits*	6
Concept 4: Reasoning in the Natural Sciences – 6 credits + 2 additional credits		*Concept 4: Reasoning in the Natural Sciences – 6 credits*	6
Reasoning in the Natural Sciences Lecture Courses	6		
Concept 5: Quantitative and Computational Thinking – 9 credits		*Concept 5: Quantitative and Computational Thinking – 9 credits*	
		MATH 1014: Precalculus with Transcendental Functions	3

		STAT 2004: Introductory Statistics Or STS 2604: Introduction to Data in Social Context	3
STAT 3604: Statistics for Social Science Or STAT 3615: Biological Statistics	3	STAT 3604: Statistics for Social Science Or STAT 3615: Biological Statistics	3
Additional Quantitative and Computational Thinking Courses	6		
Concept 6: Critique and Practice in Design and the Arts – 6 credits		*Concept 6: Critique and Practice in Design and the Arts – 6 credits*	
GEOG 3314: Cartography	3	GEOG 3314: Cartography	3
Additional Critique and Practice in Design and the Arts Course	3	Additional Critique and Practice in Design and the Arts Course	3
Concept 7: Critical Analysis of Identity and Equity in the United States – 0-3 credits	0-3	*Concept 7: Critical Analysis of Identity and Equity in the United States – 0-3 credits*	0-3
Additional Pathways General Education – 2 credits		**Additional Pathways General Education – 0 credits**	
Concept 4: Reasoning in the Natural Sciences			
Reasoning in the Natural Sciences Laboratory Courses (2 credits)	2		
Core Courses – 21 credits		**Core Courses – 21 credits**	
GEOG 1004: Introduction to Human Geography	3	GEOG 1004: Introduction to Human Geography	3
GEOG 1014: World Regions	3	GEOG 1014: World Regions	3
GEOG 1084/FREC 1004: Digital Planet	3	GEOG 1084/FREC 1004: Digital Planet	3
GEOG 1104: Introduction to Physical Geography	3	GEOG 1104: Introduction to Physical Geography	3
GEOG 2084: Principles of Geographic Information Systems	3	GEOG 2084: Principles of Geographic Information Systems	3
GEOG 2314: Maps and Mapping	3	GEOG 2314: Maps and Mapping	3
GEOG Field Experience *Select one of the following:* GEOG 3954: Study Abroad GEOG 4964: Field Study GEOG 4994: Undergraduate Research	3	GEOG Field Experience *Select one of the following:* GEOG 3954: Study Abroad GEOG 4964: Field Study GEOG 4994: Undergraduate Research	3
Major Required Courses – 3 credits		**Major Required Courses – 4 credits**	
		GEOG 1024: Survey of Geography	1
GEOG 3314: Cartography	3	GEOG 3314: Cartography*	0
		Option Required Courses – 16 credits	

		CS 1064: Introduction to Programming in Python	3
		GEOG/GEOS 4084: Modeling with Geographic Information Systems	3
		GEOG 4314: Spatial Analysis in Geographic Information Systems	3
		GEOG 4324: Algorithms in Geographic Information Systems	4
		GEOG/GEOS 4354: Introduction to Remote Sensing	3
Cognate Elective – 3 credits	3		
Restricted Electives – 18 credits	18	**Restricted Electives – 18 credits**	18
		Geospatial Electives	9-12
		Geography Electives	6-9
Free Electives – 28 credits	28	**Free Electives – 19-22 credits**	16
Total degree program: 120 credit hours		**Total degree program:** 120 credit hours	

*Double counted as part of the Pathways General Education requirements.

Curriculum

The B.A./B.S. in Geography degree program will require 120 credit hours. Experiential learning will be required.

The core coursework will provide students with a foundation in geography, including both human and physical aspects and technical skills of the field. Students will learn fundamental concepts such as space, place, regions, human communities, cultures, and economies and their interaction with the environment. Coursework will train students to use spatial perspective to understand and analyze global issues, environmental systems, and human activities across different regions. Students will learn how human societies are shaped by their geographic environments. Students will also be trained to develop proficiency in spatial analysis, geographic literacy, cartography, and use of geospatial technologies to interpret satellite imagery, and analyze, interpret and communicate complex geographic data effectively. Students will learn to apply geospatial methods to analyze and design solutions to contemporary problems facing Virginia and the world, such as mapping past climate variations for an area or analyzing the dispersion of air pollutants and identifying pollution sources.

All students enrolled in the B.S. degree designation will complete a semester of experiential learning through participation in a study abroad experience, field experience, or undergraduate research under the direct supervision of a faculty member. The experiential learning activity offers students practical experience to apply theoretical knowledge and gain a better understanding of geographic concepts and issues. This can be achieved through a research project or field study in a chosen topic area, selected with guidance from a faculty member, or through a practical project as part of a study abroad program. For example, students might use geographic information systems to analyze forest carbon storage, evaluate the impact of new developments on natural areas, or use remote sensing to assess natural disaster damage.

Program Requirements

New courses are denoted by an asterisk.

Pathways General Education Requirements: 42-45 credit hours

Concept 1: Discourse (9 credits)
- ENGL 1105: First-Year Writing (3 credits)
  - Or COMM 1015: Communication Skills (3 credits)
- ENGL 1106: First-Year Writing (3 credits)
  - Or COMM 1016: Communication Skills (3 credits)
- COMM 2004: Public Speaking (3 credits)
  - Or ENGL 3764: Technical Writing (3 credits)
  - Or ENGL 3844: Writing and Digital Media (3 credits)
  - Or HIST 2624: Topics in the History of Data in Social Context (3 credits)

Concept 2: Critical Thinking in the Humanities (6 credits)
Concept 3: Reasoning in the Social Sciences (6 credits)
Concept 4: Reasoning in the Natural Sciences (6 credits)
Concept 5: Quantitative and Computational Thinking (9 credits)
- MATH 1014: Precalculus with Transcendental Functions (3 credits) Students must take MATH 1014.
- STAT 2004: Introductory Statistics (3 credits)
  - Or STS 2604: Introduction to Data in Social Context (3 credits)
- STAT 3604: Statistics for Social Science (3 credits)
  - Or STAT 3615: Biological Statistics (3 credits)

Concept 6: Critique and Practice in Design and the Arts (6 credits)
- GEOG 3314: Cartography (3 credits) Students must take GEOG 3314.
- Additional Critique and Practice in Design and the Arts Course (3 credits)

Concept 7: Critical Analysis of Identity and Equity in the United States (0-3 credits) *(may be met by another core concept course)*

Core Courses: 21 credit hours

GEOG 1004: Introduction to Human Geography (3 credits)
GEOG 1014: World Regions (3 credits)
GEOG 1084/FREC 1004: Digital Planet (3 credits)
GEOG 1104: Introduction to Physical Geography (3 credits)
GEOG 2084: Principles of Geographic Information Systems (3 credits)
GEOG 2314: Maps and Mapping (3 credits)

Students select one of the following:
GEOG 3954: Study Abroad (3 credits)
GEOG 4964: Field Study (3 credits)
GEOG 4994: Undergraduate Research (3 credits)

Required Major Coursework: 1 credit hour

GEOG 1024: Survey of Geography (1 credit) *

Additional Required Major Course

One (1) major required course will be double-counted as part of the Pathways General Education requirements.

GEOG 3314: Cartography (3 credits)

Required Geographic Information Science and Technology Option Coursework: 16 credit hours

CS 1064: Introduction to Programming in Python (3 credits)
GEOG/GEOS 4084: Modeling with Geographic Information Systems (3 credits)
GEOG 4314: Spatial Analysis in Geographic Information Systems (3 credits)
GEOG 4324: Algorithms in Geographic Information Systems (4 credits)
GEOG/GEOS 4354: Introduction to Remote Sensing (3 credits)

Restricted Electives: 18 credit hours

Geospatial Electives
Students select 9-12 credits from the list of courses.

FREC 4214: Forest Photogrammetry and Spatial Data Processing (3 credits)
GEOG 4304: Geospatial Analysis of Mobility (3 credits)
GEOG 4334: Geospatial Information Technology for Land Change Modeling (3 credits)
GEOG 4254: R Programming for Geospatial Applications (3 credits)
GEOG 4374: Remote Sensing and Phenology (3 credits)
GEOG 4394: Introduction to Web Mapping (3 credits)
GEOG 4404: Geovisualization (3 credits)

Geography
Students select 6-9 credits from the list of courses.

GEOG 1524: Introduction to Earth's Climate (3 credits)
GEOG 2004: Water, Environment, and Society (3 credits)
GEOG 2014: Health and Place: Introduction to Health Geography (3 credits)
GEOG 2034: Geography of Global Conflict (3 credits)
GEOG 2054: Introduction to World Politics (3 credits)
GEOG/PSCI/IS 2064: The Global Economy and World Politics (3 credits)
GEOG 2074: COVID-19: Global Pandemic, Local Impacts (3 credits)
GEOG 2104: Introduction to Environmental Security (3 credits)
GEOG 2114: Introduction to Coastal Regions (3 credits)
GEOG 2134: Geography of the Global Economy (3 credits)
GEOG 2214: Geography of North America (3 credits)
GEOG 2224: Geography of Europe (3 credits)
GEOG 2244: Sustainable Urbanization (3 credits)
GEOG 2505: Weather Analysis I (3 credits)
GEOG 2784: Geography of Tea (3 credits)
GEOG 3034: The CIA: Its Capabilities in Today's Geo-Political World (3 credits)
GEOG 3104: Environmental Problems, Population, and Development (3 credits)
GEOG 3214: Africa Together (3 credits)

GEOG 3224: Geography of Appalachia (3 credits)
GEOG 3234: Geography of Virginia (3 credits)
GEOG 3244: The U.S. City (3 credits)
GEOG 3254: Geography of East Asia (3 credits)
GEOG 3274: Polar Environments (3 credits)
GEOG 3304: Geomorphology (3 credits)
GEOG 3404: Mountain Geography (3 credits)
GEOG/AHRM/APS/HD/HUM/SOC/UAP 3464: Appalachian Communities (3 credits)
GEOG 3504: Severe Weather (3 credits)
GEOG 4044: Biogeography (3 credits)
GEOG 4054: Geography of Wine (3 credits)
GEOG 4074: Medical Geography of Infectious Diseases (3 credits)
GEOG 4134: Interdisciplinary Issues and Ethics in Water Resources (3 credits)
GEOG 4204: Geography of Resources (3 credits)
GEOG 4214: Gender, Environment, and International Development (3 credits)
GEOG 4224: Tracking Environmental Change (3 credits)
GEOG 4284: Human Dimensions of Coastal Social-Ecological Systems (3 credits)
GEOG 4414: Climate Change and Societal Impacts (3 credits)
GEOG 4764: International Development Policy and Planning (3 credits)

Free Elective Courses: 19-22 credit hours

Total Credit Hours: 120 credit hours

See Appendix A for sample plan of study.
See Appendix B for course descriptions.

Faculty Resources

Faculty in the Department of Geography will teach core and required courses in the proposed B.S. degree designation. Twelve (12) faculty will teach core and required courses. All faculty members possess a doctorate degree in geography or a physical science. The faculty have been teaching for a minimum of five years in higher education. The faculty are published and conducting research in geography or a physical science.

No adjunct faculty will be needed to initiate and sustain the proposed B.S. degree designation.

Student Learning Assessment

Student learning for the proposed B.S. degree designation will be assessed throughout the program through a variety of assessment measures, formative and summative. Some of these measures will include, but are not limited to, assignments, examinations and individual and team-based projects assigned during classroom instruction.

All students will be required to complete at least one semester of experiential learning in a study abroad, field study, or undergraduate research course. The Department of Geography has developed a rubric that the faculty will use to assess students' abilities to apply geographical knowledge and skills while conducting research, field study, or study abroad projects through deliverables including reports, reflections, and oral presentations. At the end of each semester, the faculty members will use the rubric to score students on their abilities.

Student Learning Outcomes

All students will be able to:

- Interpret the arrangement of major physical and human geographic features on a world map or regional maps.
- Describe the Earth's human and physical characteristics and processes and human-environment interactions.
- Identify the various geospatial tools used in geographical analysis including Geographic Information Systems (GIS), remote sensing, GPS, geovisualization, spatial data coding, and spatial analysis.
- Evaluate the concept of "region" and its importance in understanding world affairs.
- Demonstrate the appropriate use of map projections.
- Name and discuss the techniques, terms and applications of GIS in an informed way.
- Operate contemporary geospatial software in an effective manner.
- Compare and contrast alternative data models used for spatial data representation.
- Apply specialized geographic knowledge in a real-world context.

Students will acquire additional competencies in the Geographic Information Science and Technology Option. Geography Information Science and Technology Option students will be able to:

- Evaluate the relative merits and drawbacks of different secondary geospatial datasets that are commonly used in the geospatial industry.
- Apply and interpret relevant spatial analysis methods and results (e.g., auto correlation/hot spot analysis, spatial regression, areal interpolation, point in polygon/buffer analysis, spatial statistical analysis) to answer a variety of spatial problems.
- Design and manage a geospatial project using an understanding of appropriate techniques and technologies.
- Create and use spatial models to support solutions to real world problems.
- Demonstrate knowledge of sensors and image acquisition methods, basics of the electromagnetic spectrum, characteristics of remote sensing imagery and the ability to apply this knowledge through an application.
- Apply mathematical concepts, including statistical methods, to data to be used in geospatial analysis.
- Express and apply coding skills using a current computing language platform.
- Demonstrate the ability to collect, assemble and evaluate primary and secondary data.
- Analyze spatial data to support meaningful conclusions to geographic questions.

Curriculum map for B.S. degree designation in Geography

Learning Outcomes	Core and Required Courses	Assessment Measures

Interpret the arrangement of major physical and human geographic features on a world map or regional maps.	GEOG 1014: World Regions GEOG 1104: Introduction Physical Geography	<u>Formative:</u> Class assignments (for example, diagram the atmospheric pressure zones association with the South Asian monsoon) <u>Summative:</u> Course exams (for example, exam question to discuss the spatial organization of population density patterns in China)
Describe the Earth's human and physical characteristics and processes and human-environment interactions.	GEOG 1004: Introduction to Human Geography GEOG 1104: Introduction to Physical Geography	<u>Formative:</u> Class assignments (for example, describe characteristics of climate types in the Köppen classification system) <u>Summative:</u> Course exams (for example, exam question to diagram and describe the Urban Heat Island effect)
Identify the various geospatial tools used in geographical analysis including GIS, remote sensing, GPS, geovisualization, spatial data coding, and spatial analysis.	GEOG 1084/FREC 1004: Digital Planet	<u>Formative:</u> Class assignments (for example, identify examples found on the web that use Google Map Application Program Interface (API) to display spatial data patterns) <u>Summative:</u> Course exams (for example, exam question listing three geospatial software/tools that are commonly used to visualize spatial data)
Evaluate the concept of "region" and its importance in understanding world affairs.	GEOG 1004: Introduction to Human Geography GEOG 1014: World Regions	<u>Formative:</u> Class assignments (for example, in class assignment to define and provide an example of a vernacular region from a non-US country)

		<u>Summative:</u> Course exams (for example, exam question to compare and contrast the explanatory utility of the concentric zone versus multiple nuclei models of US metropolitan urban structure)
Interpret current events in terms of the geographical and historical context.	GEOG 1004: Introduction to Human Geography GEOG 1014: World Regions	<u>Formative:</u> Class assignments (for example, in class discussion to define and provide an example of a stateless nation) <u>Summative:</u> Course exams (for example, exam question related to explaining how historical and socio-economic characteristics contribute to Black migration patterns in the 20th century)
Demonstrate the appropriate use of map projections.	GEOG 2084: Principles of Geographic Information Systems GEOG 2314: Maps and Mapping	<u>Formative:</u> Class assignments (for example, homework assignment identifying the type of map projection employed from information on a map) <u>Summative:</u> Lab assignments (for example, assignment to convert data from latitude/longitude to a Cartesian coordinate system designed to preserve the property of equal area measurement)
Name and discuss the techniques, terms and applications of GIS in an informed way.	GEOG 2084: Principles of Geographic Information Systems	<u>Formative:</u> Class assignments (for example, identify the different types of vector overlay methods for points, lines, and polygons and the

		types of output that are yielded) <u>Summative:</u> Course exams (for example, exam question to discuss how a raster combine function applied to a time series of gridded land cover data can be used to identify and map patterns of land cover change)
Operate contemporary geospatial software in an effective manner.	GEOG 2084: Principles of Geographic Information Systems	<u>Formative:</u> Class assignments (for example, use ArcGIS Pro software to create a vector data layer stored in a file geodatabase) <u>Summative:</u> Lab exams (for example, demonstrate use of ArcGIS Pro software to perform spatial data queries using Boolean logic to answer a site suitability question)
Compare and contrast alternative data models used for spatial data representation.	GEOG 2084: Principle of Geographic Information Systems	<u>Formative:</u> Class assignments (for example, homework assignment to define the differing characteristics of vector vs raster spatial data) <u>Summative:</u> Course exams (for example, question to discuss the issues involved in representing human population data using discrete features versus continuous fields)
Apply specialized geographic knowledge in a real-world context.	GEOG 3954: Study Abroad GEOG 4964: Field Study GEOG 4994: Undergraduate Research	<u>Formative:</u> Project assignments (for example, creating digital spatial features of traffic accident locations)

		Summative: Final report (for example, document and summarizing an analysis of traffic accident patterns)

Employment Skills

Graduates of the proposed B.S. in Geography degree designation will be able to:

- Analyze the distribution of physical geographic features (e.g., land, sea, and air masses), natural resources, and ecosystems across different regions.
- Assess the impact of human population patterns, cultural practices, and economic activities on natural environments.
- Compile and integrate geographic data from various sources, including field observations, satellite imagery, and existing databases.
- Create and modify maps using GIS software and cartographic principles.
- Evaluate data using geospatial technologies (e.g., remote sensing).
- Develop reports and presentations to communicate complex geographical information to diverse audiences.
- Create ethical guidelines for the use of geospatial technologies and data.

Justification for the Proposed Program

Rationale for the Program

The proposed addition of the B.S. degree designation is needed for three reasons: 1) evolution of the geography field and discipline, 2) address student needs and career goals, and 3) alignment with peer institutions.

Evolution of the Geography Field and Discipline
Geography is an interdisciplinary field that bridges the natural and social sciences, encompassing everything from physical landforms and climate patterns to human cultures and political systems. Virginia Tech's Bachelor of Arts (B.A.) degree program in Geography was established in 1975. Since the 1970s, the field of geography has evolved. With the advancements in technologies including digital mapping and visualization, spatial analysis, and big data, and the integration of other disciplines (e.g., computer science), more technical focus areas have emerged (e.g., geographic information systems (GIS) and remote sensing) that align more closely with a B.S. degree designation than the B.A. degree designation. Today, both B.A. and B.S. degree designations are needed at Virginia Tech to accommodate the diverse nature of the field.

The current B.A. degree designation allows for a broad exploration of topics in geography including human geography, cultural studies, urban planning, or policy-related work. The proposed B.S. in Geography degree designation will target the technical aspects of the geography field including geographical information science and remote sensing.

Address Student Needs and Career Goals

The proposed B.S. in Geography degree designation will make graduates more competitive for job placement. The proposed B.S. Geography designation will provide evidence of a scientific specialization that enhances employment marketability that is absent from the current B.A. in Geography. Multiple students have reported being unsuccessful on employment applications due to the absence of a B.S. designation and associated specialization. Alumni have reported a strong need for the B.S. designation to produce students that are more competitive. During informal conversations with graduating seniors and recent graduates, students reported that employer feedback when they applied for positions such as geographic information systems specialists, geospatial analysts and remote sensing specialists was that the organizations were looking for students with a B.S in Geography, rather than a B.A. in Geography.

The B.S. degree designation would serve students interested in areas of geography such as Geographic Information Systems (GIS) and remote sensing, preparing them for careers in technical and data-driven fields. The proposed B.S. degree designation in Geography would allow Virginia Tech to offer the curricular requirements for the focus area of Geographic Information Science and Technology

Peer Institutions

In Spring 2024, the geography faculty examined baccalaureate degree programs in the field of geography offered by Virginia Tech's State Council of Higher Education for Virginia (SCHEV) peer institutions. Of the 25 SCHEV peer institutions, 16 institutions offer a baccalaureate degree program in the field of geography. Seven (7) institutions offer a Bachelor of Arts (B.A.) in Geography degree program. Six (6) institutions offer both degree designations, the Bachelor of Arts (B.A.) and the Bachelor of Science (B.S.) degree programs in Geography. One (1) institution offers a Bachelor of Science (B.S.) in Geography, one (1) institution offers a Bachelor of Science (B.S.) in Geological Sciences, and one (1) institution offers a Bachelor of Arts in Liberal Arts and Sciences/Bachelor of Science in Liberal Arts and Sciences (B.A.L.A.S./B.S.L.A.S.) in Geography and Geographic Information Science.

In addition, the geography faculty examined the curriculum of the degree programs at the SCHEV peer institutions. Based on the research, faculty determined that the core and required curriculum for the Bachelor of Science (B.S.) degree designation is typically similar to the B.A. designation at institutions where both the B.S. and the B.A. degree designations are offered. Further, most Geography degree programs include subareas (e.g., majors, concentrations, tracks, interest areas) that are aligned with the degree designation and the curricular requirements are different based on the subarea. For example, the B.A. in Geography degree designation most often emphasizes the social and behavioral aspects of field of geography while the B.S. degree designation focuses on the discipline's environmental and technical perspectives. Students enrolled in the B.S. degree designation in Geography and the geographic information systems subarea are required to take coursework in geographic information systems and spatial analysis, and coursework in computer programming, data analysis, or statistics. Whereas students enrolled in the B.A. degree designation in Geography and the social and environmental geography subarea would be required to take coursework in economic and social geography and cities and their global spaces.

The addition of the Bachelor of Science (B.S.) degree designation in Geography to the existing Bachelor of Arts (B.A.) degree program in Geography would allow Virginia Tech to align with the six (6) institutions that offer both degree designations in the field of geography.

See Appendix C for a list of degree programs at peer institutions.

Student Demand

Student enrollment in the proposed B.S. degree designation is not expected to increase enrollment in the existing B.A. in Geography degree program. It is expected that total student enrollment will remain about the same as the current total student enrollment in the existing degree program. Faculty teaching in the existing degree program will remain the same for the proposed addition of the B.S. degree designation. It is expected that student enrollment in the proposed B.A./B.S. degree program in Geography will remain at a level appropriate to faculty resources.

No student demand evidence was obtained to add the proposed B.S. degree designation. However, student demand for a B.S. degree designation in Geography is evident from the robust enrollment of the existing Geographic Information Science (GIS) minor. Enrollment in the GIS minor was ranked 14th out of 175 Virginia Tech minors 2019-2023. Enrollments by year are: 78 (2019), 96 (2020), 118 (2021), 103 (2022), and 112 (2023), and 153 (2024). During the five-year period from 2019 to 2023, 129 of the total enrolled 507 minors came from the B.A. in Geography degree program. We project that students who would enroll in the GIS minor in the absence of a B.S. in Geography will opt to enroll in the B.S. in Geography degree designation with its required coursework in GIS.

State Council of Higher Education for Virginia

Summary of Projected Enrollments in Proposed Program

Year 1		Year 2		Year 3		Year 4 **Target Year (2-year institutions)**			Year 5 **Target Year (4-year institutions)**		
2025 - 2026		2026 - 2027		2027 - 2028		2028 - 2029			2029 - 2030		
HDCT 100	FTES 100	HDCT 100	FTES 100	HDCT 100	FTES 100	HDCT 100	FTES 100	GRAD	HDCT 100	FTES 100	GRAD 35

Assumptions:
Retention percentage: 90%
Full-time students 100%
Full-time students credit hours per semester: 15-16
Full-time students graduate in 4 years

Projected Resource Needs for the Proposed Program

Resource Needs

Virginia Tech and the Department of Geography have the resources needed to initiate and sustain the proposed B.S. degree designation in Geography. The addition of a B.S. degree designation will not require any additional resources. Virginia Tech anticipates no need to increase the number of full-time, part-time, or adjunct faculty to accommodate the new B.S. degree designation in Geography. The proposed program allocates 1.0 FTE of instructional effort for every 24.0 FTE of enrollment in lower division courses and 1.0 FTE of instructional effort for 18.0 FTE of enrollment in upper division courses. The proposed program will therefore require a total of 4.76 FTE of instructional effort in 2025-2026, which will remain constant through the target year 2029-2030.

It expected that student enrollment in the proposed B.S. degree designation will not increase to a level that cannot be sustained by existing faculty resources. It is expected that student enrollment will remain about the same as student enrollment in the existing B.A. in Geography degree program. It is expected that student enrollment in the B.A./B.S. degree program will remain at a level appropriate to faculty resources.

Full-time Faculty

Faculty in the Department of Geography will teach core and required courses in the proposed added degree designation. One (1) faculty member will dedicate 100% (1 FTE) of their teaching time to the proposed added degree designation. Five (5) faculty members will dedicate 50% (0.50 FTE) each, for a total of 2.5 FTE of their teaching time to the proposed added degree designation. The program will require 3.5 FTE of faculty instruction to initiate, and this level of effort is expected to remain constant through the target year of 2029-2030.

Part-time Faculty
Six (6) faculty in the Department of Geography will dedicate 25% (0.25 FTE) each, for a total of 1.5 FTE of their teaching time to the proposed added degree designation. The program will require 1.5 FTE of faculty instruction to initiate, and this level of effort is expected to remain constant through the target year of 2029-2030.

Adjunct Faculty
No adjunct faculty will be required to initiate or sustain the proposed added degree designation.

Graduate Assistants
No new graduate assistantships will be needed to initiate and sustain the proposed added degree designation.

Classified Positions
No new classified positions will be needed to initiate and sustain the proposed added degree designation.

Equipment (including computers)
No new equipment, including computers, is needed to initiate and sustain the proposed added degree designation. The equipment available, including computers, is sufficient for the proposed added degree designation.

Library
No new resources are needed to initiate or sustain the proposed added degree designation. The library resources, such as books, journals, and online access are sufficient to support coursework in the proposed added degree designation.

Telecommunications
No new or additional resources are required to initiate or sustain the proposed added degree designation.

Space
No additional space is needed to initiate or sustain the proposed added degree designation.

Targeted Financial Aid
No targeted financial aid will be offered to initiate and sustain the proposed added degree designation.

Special Tuition or fee charges
No special tuition or fee charges will be utilized or instituted to initiate or sustain the proposed degree designation.

Other Resources (specify)
No additional resources are needed to initiate or sustain the proposed added degree designation. No resources are needed for advertising and promotion of the proposed added degree designation.

Funds to Initiate and Operate the Degree Program

Figures provided in the table below will be compared to SCHEV funding estimates using the current base adequacy model. This comparison will serve as a reference for the estimated costs. If there are large discrepancies, SCHEV may request additional clarification to ensure the institution's assumptions are correct, or require modifications as a condition of approval.

Note: Institutions must use the recommended student-faculty ratio when estimating FTES enrollments and required faculty FTEs.

Cost and Funding Sources to Initiate and Operate the Program			
Informational Category		**Program Initiation Year**	**Program Target Year**
		20 25 - 20 26	**20 29 - 20 30**
1.	Projected Enrollment (Headcount)	100	100
2.	Projected Enrollment (FTES)	100	100
3.	Projected Enrollment Headcount of In-State Students	85	85
4.	Projected Enrollment Headcount of Out-of-State Students	15	15
5.	Estimated Annual Tuition and E&G Fees for In-State Students in the Proposed Program	$13,266	$13,266
6.	**Revenue** from Tuition and E&G Fees for In-State Students Due to the Proposed Program	$1,127,610	$1,127,610
7.	Estimated Annual Tuition and E&G Fees for Out-of-State Students in the Proposed Program	$35,093	$35,093
8.	**Revenue** from Tuition and E&G Fees for Out-of-State Students Due to the Proposed Program	$526,395	$526,395
9.	**Projected Revenue Total from Tuition and E&G Fees Due to the Proposed Program**	**$1,654,005**	**$1,654,005**
10.	Other Funding Sources Dedicated to the Proposed Program (e.g., grant, business, private sources, university funds)	$0	$0
11.	**Total Funding**	**$1,654,005**	**$1,654,005**

iv) Certification Statements

1. A request of any kind has been or will be submitted to the Virginia General Assembly for funds to initiate and/or maintain the technical change for the academic program.

   Yes ☐

   No ☒

   If "Yes" is checked, include narrative text to describe: when the request will be made, how much will be requested, what the funds will be used for, and what will be done if the request is not fulfilled. Additional information may be required.

2. If governing board approval is required, the governing board has been provided information regarding: credit hour change (if applicable), curriculum changes (if applicable), and duplication (if applicable) as part of its approval action.

   Yes ☒

   No ☐

   If "No" is checked, include narrative text to explain why the governing board has not been provided the information.

The institution's Chief Academic Officer attests to the accuracy of the above statements.

Cyril R. Clarke
Name (Printed)

March XX, 2025
Signature Date

Appendices

Appendix A: Sample Plan of Study

Full-Time Student

Freshman Fall	Credits	Freshman Spring	Credits
GEOG 1004: Introduction to Human Geography	3	GEOG 1014: World Regions	3
GEOG 1104: Introduction to Physical Geography	3	GEOG 1084/FREC 1004: Digital Planet	3
General Education Course: Discourse	3	General Education Course: Discourse	3
General Education Course: Reasoning in the Social Sciences	3	General Education Course: Critical Thinking in the Humanities	3
MATH 1014: Precalculus with Transcendental Functions	3	General Education Course: Quantitative and Computational Thinking	3
GEOG 1027: Survey of Geography	1		
Total	**16**	**Total**	**15**
Sophomore Fall	**Credits**	**Sophomore Spring**	**Credits**
GEOG 2084: Principles of Geographic Information Systems	3	CS 1064: Introduction to Programming in Python	3
GEOG 2314: Maps and Mapping	3	General Education Course: Critical Thinking in the Humanities	3
GEOG/GEOS 4354: Introduction to Remote Sensing	3	General Education Course: Reasoning in the Natural Sciences	3
General Education Course: Reasoning in the Natural Sciences	3	General Education Course: Critical Analysis of Identity and Equity in the United States	3
General Education Course: Reasoning in the Social Sciences	3	Restricted Elective	3
Total	**15**	**Total**	**15**
Junior Fall	**Credits**	**Junior Spring**	**Credits**
GEOG 3314: Cartography	3	General Education Course: Critique and Practice in Design and the Arts	3
General Education Course: Quantitative and Computational Thinking	3	GEOG 4314: Spatial Analysis in Geographic Information Systems	3
GEOG/GEOS 4084: Modeling with Geographic Information Systems	3	Restricted Elective	3
Restricted Elective	3	Restricted Elective	3
Restricted Elective	3	Free Elective	3
Total	**15**	**Total**	**15**

Senior Fall	**Credits**	**Senior Spring**	**Credits**
GEOG 4994: Undergraduate Research	3	Free Elective	3
General Education Course: Discourse	3	Free Elective	3
GEOG 4324: Algorithms in Geographic Information Science	4	Free Elective	3
Restricted Elective	3	Free Elective	3
Free Elective	3	Free Elective	1
Total	**16**	**Total**	**13**

Full-Time Students

Credit Hours – Freshman – Fall Term	16
Credit Hours – Freshman – Spring Term	15
Credit Hours – Sophomore – Fall Term	15
Credit Hours – Sophomore – Spring Term	15
Credit Hours – Junior – Fall Term	15
Credit Hours – Junior – Spring Term	15
Credit Hours – Senior – Fall Term	16
Credit Hours – Senior – Spring Term	13

Total Credit Hours **120**

Appendix B: Course Descriptions

General Education Pathway Required Courses
GEOG 3314: Cartography (3 credits)
Science and art of cartography including the conceptual framework of the cartographic method. Development of the skills necessary to create maps to be used in the analysis of spatial phenomena. Emphasis on thematic and ethical cartography.

MATH 1014: Precalculus with Transcendental Functions (3 credits)
Precalculus college algebra, basic functions (algebraic, exponential, logarithmic, and trigonometric), conic sections, graphing techniques, basic probability. Usage of mathematical models, analytical calculations, and graphical or numerical representations of data to analyze problems from multiple disciplines that address intercultural and global challenges in areas such as chemistry, environmental science, the life sciences, finance, and statistics. Use of spreadsheet software. Two units of high school algebra and one of plane geometry are required.

Core Courses
GEOG/FREC 1004: Introduction to Human Geography (3 credits)
Introduction to geography as a social science. Development of a conceptual framework for studying and evaluating human-environment relationships. Through examination of selected regional and global issues and through exploring basic concepts like regions, place, location, human-environment interaction, movement, and accessibility, students will discover how power is spatially expressed and explore how culture shapes the production of space and vice versa. Students will also discover and describe how ethical issues manifest spatially.

GEOG 1014: World Regions (3 credits)
Human and physical patterns and characteristics of major regions of the world including political systems, religions, economies, and physical settings. Concepts and perspectives of geography as a social science; linkages and interdependence of nations and regions; analysis of media coverage of events or global issues; engagement with current and historical global affairs.

GEOG 1084/FREC 1004: Digital Planet (3 credits)
Exploration of innovative geospatial technologies and their impact on the world around us, including how humans interact with the environment and each other. Roles of location-based services, global positioning systems, geographic information systems, remote sensing, virtual globes and web-based mapping for environmental applications. Skills and techniques for spatial thinking and environmental decision-making. Ethical implications of the use of geospatial technologies, data, and computational approaches.

GEOG 1104: Introduction to Physical Geography (3 credits)
Integrated study of major subsystems of the natural environment: the nature, distribution, and interrelationships of landforms, climate and vegetation.

GEOG 2084: Principles of Geographic Information Systems (3 credits)
Principles and diverse applications of Geographic Information Systems, geographic coordinate systems, Cartesian map projections, spatial data sources, GIS databases, map representations,

and illustrated spatial applications of GIS. Requires regular use of computer systems for geographic data analysis.

GEOG 2314: Maps and Mapping (3 credits)
Introduction to maps. Fundamentals of reading, analysis, and interpretation of hard copy and digital maps, as they are required to illuminate spatial problems. Influences of maps on attitudes toward and images of the geographic environment.

GEOG 3954: Study Abroad (1-19 credits)
No course description listed in catalog.

GEOG 4964: Field Study (1-19 credits)
No course description listed in catalog.

GEOG 4994: Undergraduate Research (1-19 credits)
No course description listed in catalog.

Major Coursework: 4 credit hours
GEOG 1024: Survey of Geography (1 credit)
Foundations of geography and subdisciplines. Career pathways for geography-interested students in various workforce sectors and sub-disciplinary specialization areas, including physical geography, GIScience, and human geography. Introduction to campus academic and geography-related career resources to enhance the undergraduate experience. Professional goal reflection and development.

GEOG 3314: Cartography (3 credits)
Science and art of cartography including the conceptual framework of the cartographic method. Development of the skills necessary to create maps to be used in the analysis of spatial phenomena. Emphasis on thematic and ethical cartography.

Geographic Information Science and Technology Option Coursework: 16 credit hours
CS 1064: Introduction to Programming in Python (3 credits)
Introduction to programming in Python contextualized with scientific and engineering problems. Computational problem-solving skills and software solutions in addition to Python language fundamentals. The basics of control flow with loops and conditionals, state tracing and manipulation, simple and complex types, organization of code using functional and object-oriented coding strategies, and data processing. Create, interpret, and debug programs. Ethically debate important issues in computing culture.

GEOG/GEOS 4084: Modeling with Geographic Information Systems (3 credits)
Use of automated systems for geographic data collection, digitization, storage, display, modeling and analysis. Basic data flow in GIS modeling applications. Development of proficiency in the use of current GIS software. Senior Standing.

GEOG 4314: Spatial Analysis in Geographic Information Systems (3 credits)
Theory and application of Geographic Information Systems, with special emphasis on analytical operations, database design, cartographic modeling, and raster GIS. Spatial data handling and analysis to facilitate decision-making through the communication of geographically referenced data.

GEOG 4324: Algorithms in Geographic Information Systems (4 credits)
Computational methods in automated mapping and map analysis. Visual Basic programming and algorithm design for spatial display and analysis under both raster and vector data models. Requires regular use of the departmental microcomputer and UNIX workstation laboratory. Prerequisite(s): GEOG 4084 and CS 1064

GEOG/GEOS 4354: Introduction to Remote Sensing (3 credits)
Theory and methods of remote sensing. Practical exercises in interpretation of aerial photography, satellite, radar, and thermal infrared imagery. Digital analysis, image classification, and evaluation. Applications in earth sciences, hydrology, plant sciences, and land use studies.

Appendix C: Degree Programs at Peer Institutions

	Institution	Degree
1	Cornell University	
2	Iowa State University	
3	Michigan State University	B.A./B.S. in Geography
4	North Carolina State University at Raleigh	
5	Ohio State University – Main Campus	B.A./B.S. in Geography
6	Pennsylvania State University – Main Campus	B.A./B.S. in Geography
7	Purdue University – Main Campus	
8	Rutgers University-New Brunswick/Piscataway	B.A. in Geography
9	Stony Brook University	
10	SUNY at Buffalo	B.A. in Geography
11	Texas A & M University	B.S. in Geography
12	The University of Texas at Austin	B.A. in Geography
13	University of California, Berkeley	B.A. in Geography
14	University of California, Davis	
15	University of Colorado, Boulder	B.A. in Geography
16	University of Florida	B.A./B.S. in Geography
17	University of Illinois at Urbana-Champaign	B.A.L.A.S./B.S.L.A.S.* in Geography & Geographic Information Science
18	University of Maryland, College Park	B.S. in Geographical Sciences
19	University of Michigan, Ann Arbor	
20	University of Minnesota – Twin Cities	B.A./B.S. in Geography
21	University of Missouri – Columbia	B.A. in Geography
22	University of Pittsburgh	
23	University of Southern California	
24	University of Washington-Seattle Campus	B.A. in Geography
25	University of Wisconsin-Madison	B.A./B.S. in Geography

*B.A.L.A.S./B.S.L.A.S.: Bachelor of Arts in Liberal Arts and Sciences/Bachelor of Science in Liberal Arts and Sciences

Provost's Update

ACADEMIC, RESEARCH, AND STUDENT AFFAIRS COMMITTEE

March 24, 2025

Cyril Clarke, executive vice president and provost, will provide an update.

Overview of the Promotion & Tenure Process

Ron Fricker
Vice Provost for Faculty Affairs

Academic Research, and Student Affairs Committee
Board of Visitors
March 24, 2025

“Both Virginia Tech Advantage and Virginia Tech Global Distinction share one important principle. Our strength is in our community and our people. Faculty, staff, and students are the university’s most important asset.”

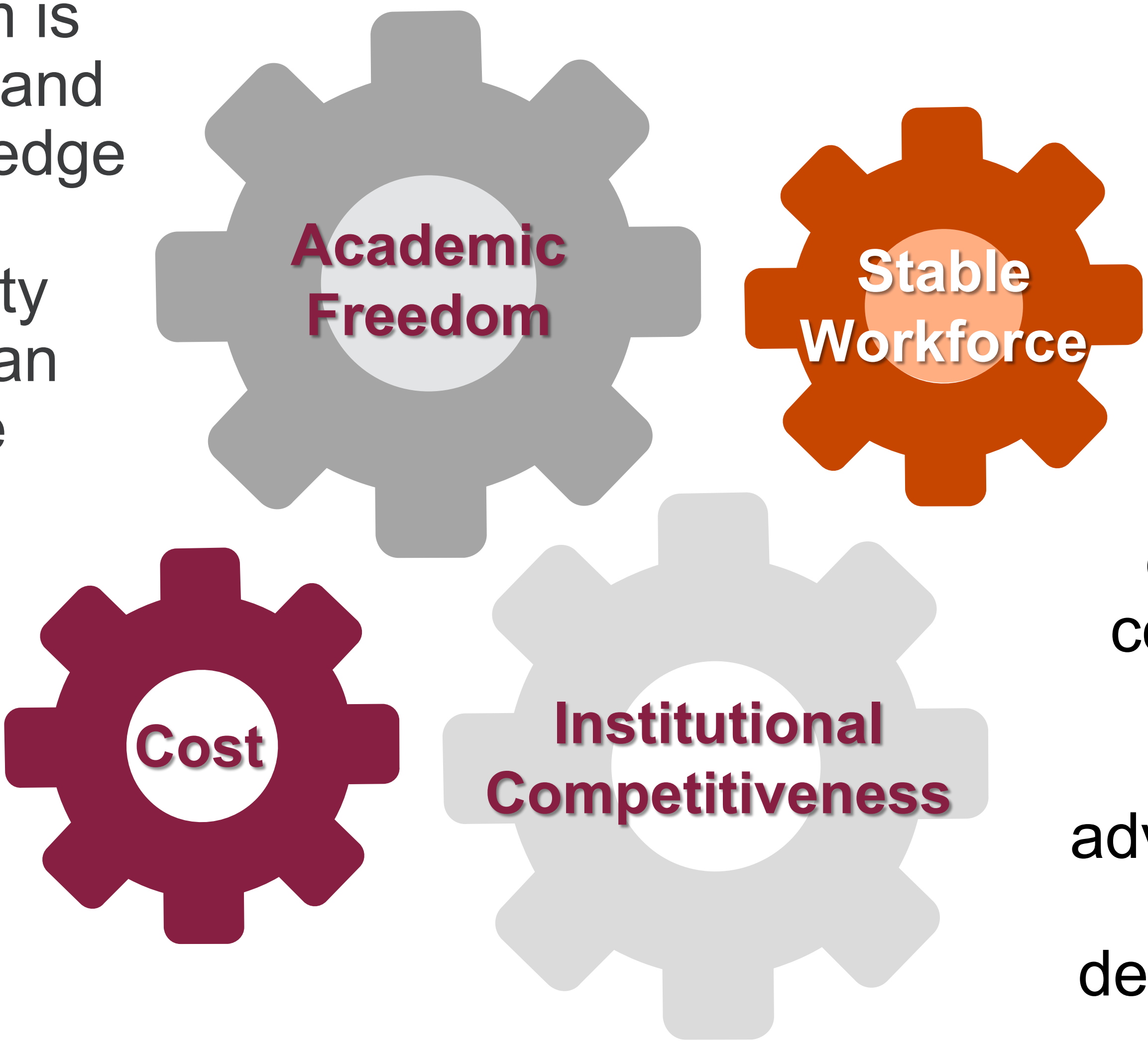
- Tim Sands, 7 Feb 2024

World-Class Faculty → Global Distinction

VIRGINIA TECH

Why Tenure?

"Academic freedom is essential to create and disseminate knowledge with the mission of improving the quality of life and the human condition within the Commonwealth of Virginia and throughout the world.." *



Tenure is an essential institutional commitment designed to cultivate a faculty whose scholarship advances knowledge in ways that may take decades to materialize.

VIRGINIA TECH

* https://www.president.vt.edu/strategicinterests/academic-freedom-and-free-speech.html

Standard: Excellence Across Tripartite Academic Mission

SCHOLARSHIP

Knowledge discovery, including research, creative activities, and Extension

TEACHING

Knowledge transfer, including classes, laboratories, clinical practice, and advising

SERVICE

Knowledge application, including for the public good via community engagement

Faculty Performance Reviews: It's Not Just Once and Done

Evaluations Are Frequent

- All faculty evaluated annually for merit
- Pre-tenure faculty evaluated in second and fourth years for progress towards tenure
- Faculty teaching both peer reviewed and student reviewed
- Post-tenure evaluated 3-5 years after promotion for progress towards professor

It's a Competitive Business

- Faculty publications are nearly all peer reviewed
- Faculty grants are almost all competitively awarded
- Honorifics are highly competitive
  - *Faculty success requires the continual demonstration of scholarly merit*
  - *Faculty must consistently engage and persuade peers of the significance, rigor, and impact of their work*

Promotion & Tenure "By the Numbers"

83

Average number of annual promotion and/or tenure cases over past 10 years

≥4

Number of external expert reviewers for each P&T case

100

Number of pages in a typical P&T dossier

30-50

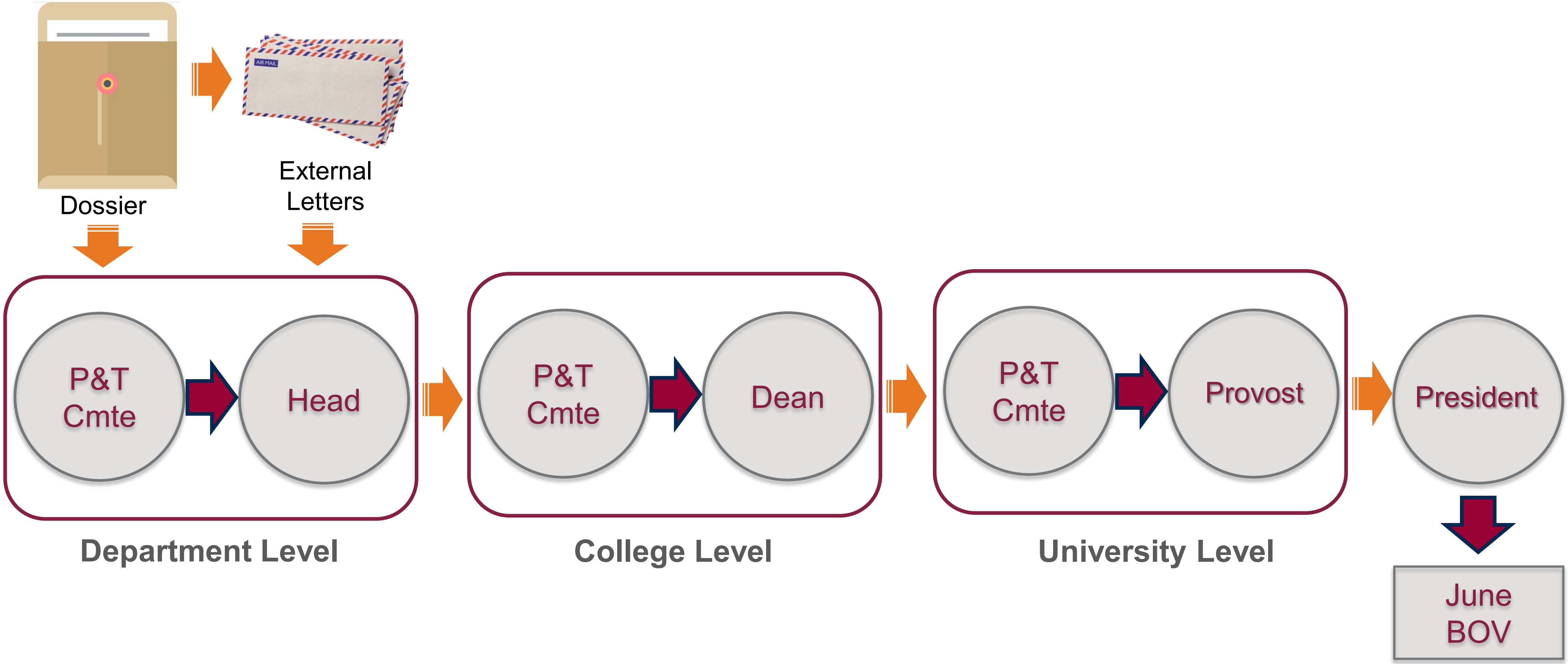
Number of VT personnel independently reviewing each P&T case

12-18

Number of months it takes for a case to go through the P&T process

VIRGINIA TECH

Evaluation Process for Promotion & Tenure

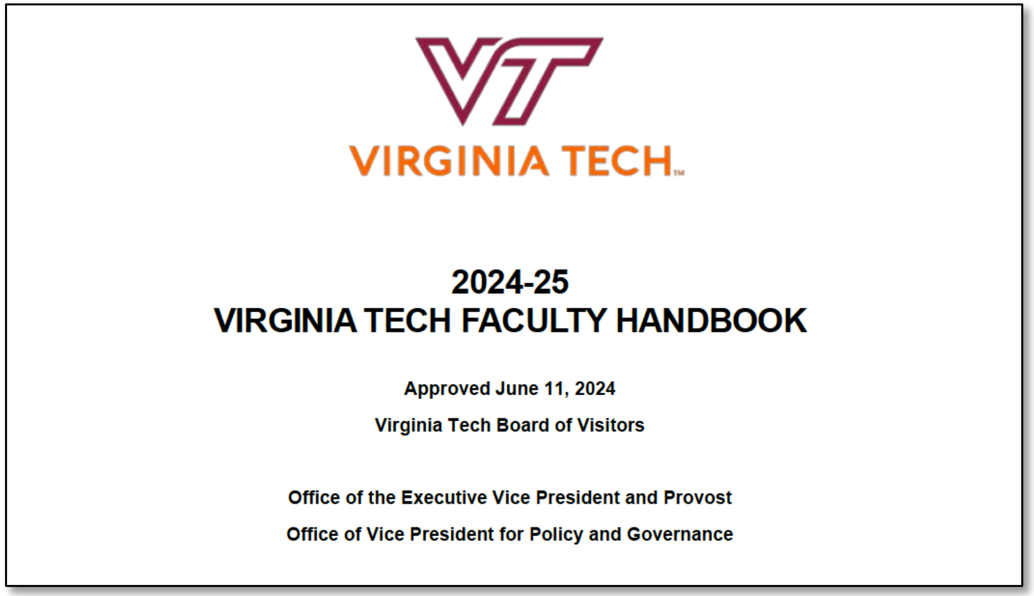


VIRGINIA TECH

Outcome: World-Class Faculty

$\geq$ 5	1 of 50	~ 6	~ 40	92	World-Class Faculty
Years in graduate school to achieve expertise Does not include time as postdoc	Virginia Tech hires from the top one to two percent of applicants	Years as an assistant professor establishing research and teaching credentials	Percent of assistant professors who do not get to the P&T process	Percent of assistant professors start the P&T process and succeed	

Governing Documents



VIRGINIA TECH

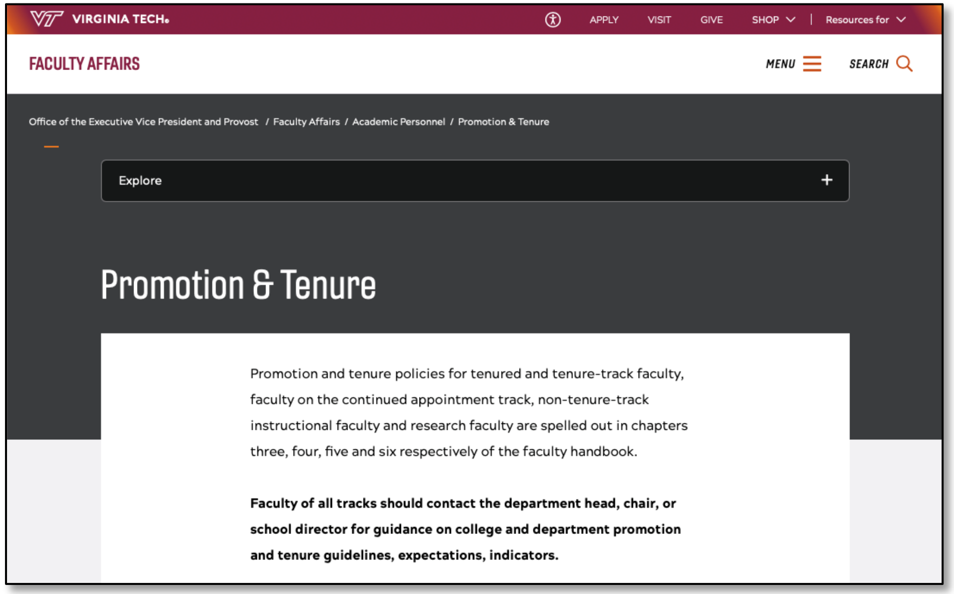
2024-25
VIRGINIA TECH FACULTY HANDBOOK

Approved June 11, 2024

Virginia Tech Board of Visitors

Office of the Executive Vice President and Provost

Office of Vice President for Policy and Governance



VIRGINIA TECH. APPLY VISIT GIVE SHOP | Resources for

FACULTY AFFAIRS MENU SEARCH

Office of the Executive Vice President and Provost / Faculty Affairs / Academic Personnel / Promotion & Tenure

Explore +

Promotion & Tenure

Promotion and tenure policies for tenured and tenure-track faculty, faculty on the continued appointment track, non-tenure-track instructional faculty and research faculty are spelled out in chapters three, four, five and six respectively of the faculty handbook.

Faculty of all tracks should contact the department head, chair, or school director for guidance on college and department promotion and tenure guidelines, expectations, indicators.

Why Tenure?

Dr. Marc Edwards

Dr. Linsey Marr

VIRGINIA TECH

VIRGINIA TECH®

STUDENT AFFAIRS
VIRGINIA TECH

ENHANCING STUDENT SUCCESS

The Value of On-Campus Living

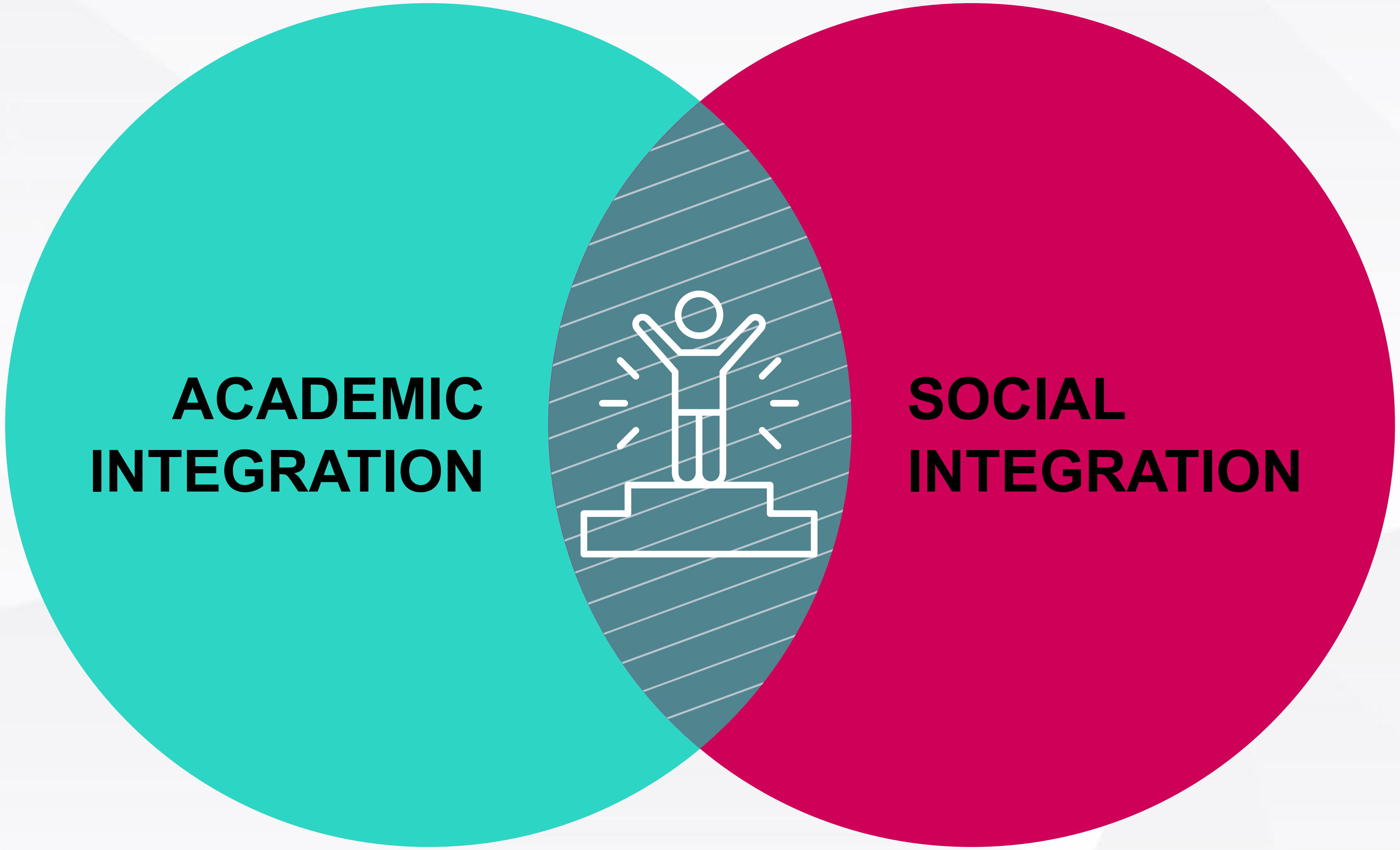
Dr. Frances Keene
Vice President for Student Affairs

Academic Research, and Student Affairs Committee
Board of Visitors
March 24, 2025

THE POWER OF LIVING ON CAMPUS

Creating Environments for Student Success

Education is achieved through a blending of the curricular and co-curricular experiences.



THE POWER OF LIVING ON CAMPUS

The Benefits

Living on campus is valuable to students — its benefits go well-beyond just having a place for students to call “home.”

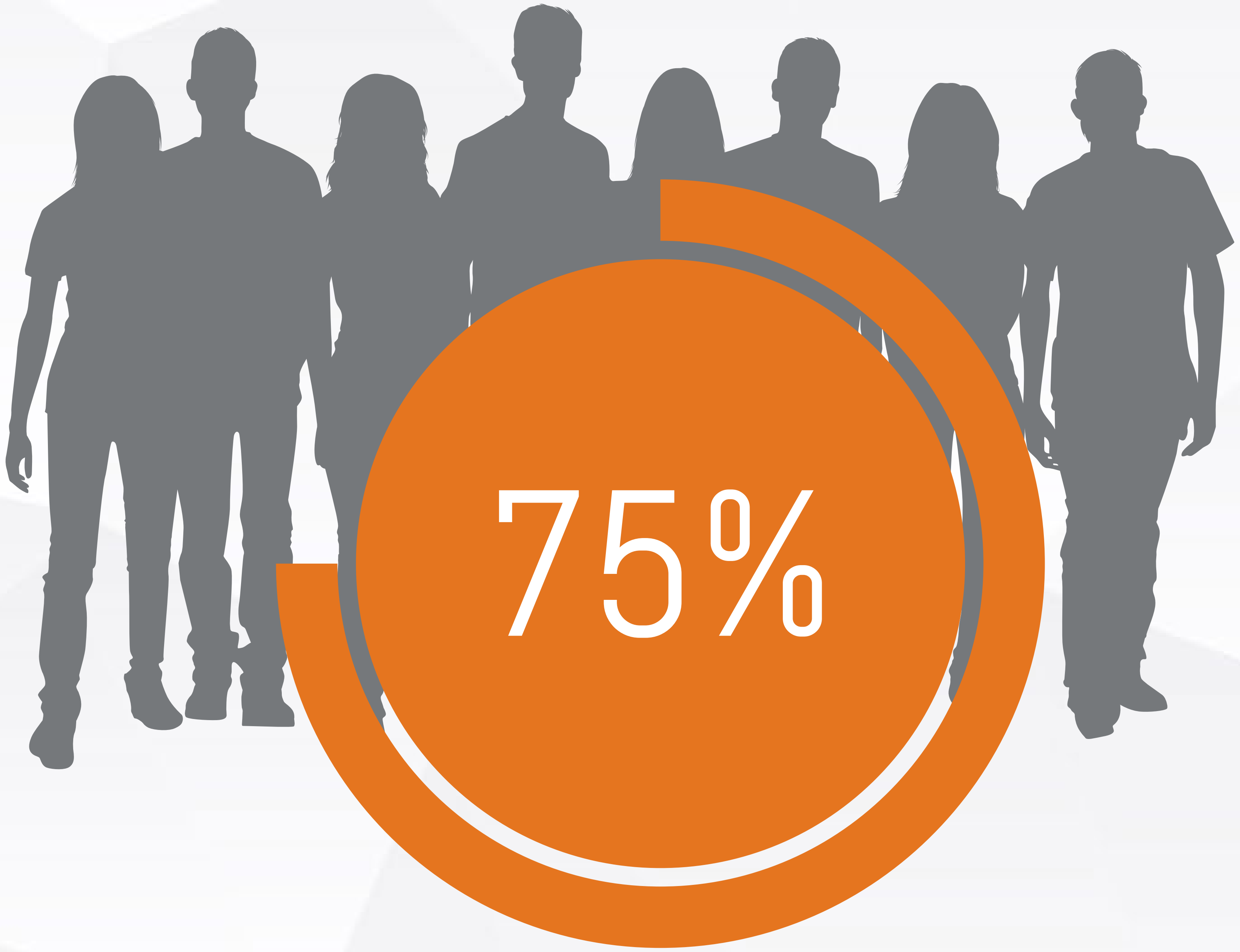
- **Enhanced Learning:** Supports & enhances classroom learning
- **Community:** Builds meaningful peer relationships
- **Well-being:** Offers support services for stress management
- **Engagement:** Encourages participation in campus activities

THE POWER OF LIVING ON CAMPUS

Healthy Minds Data 2023-24

INVESTING IN MENTAL HEALTH IS CRITICAL

- **75%** of students report academic impairment due to mental health concerns
- Students with untreated depression are **2x** more likely to drop out of college



STUDENT AFFAIRS
VIRGINIA TECH

STUDENT AFFAIRS
VIRGINIA TECH

TRANSFORMING ON-CAMPUS LIVING

Residential Well-being

Three priorities:

- ✓ **Student Success & Well-being**
- ✓ **ExperienceVT**
- ✓ **Strong connection to the Hokie Nation**

Our model aims to:

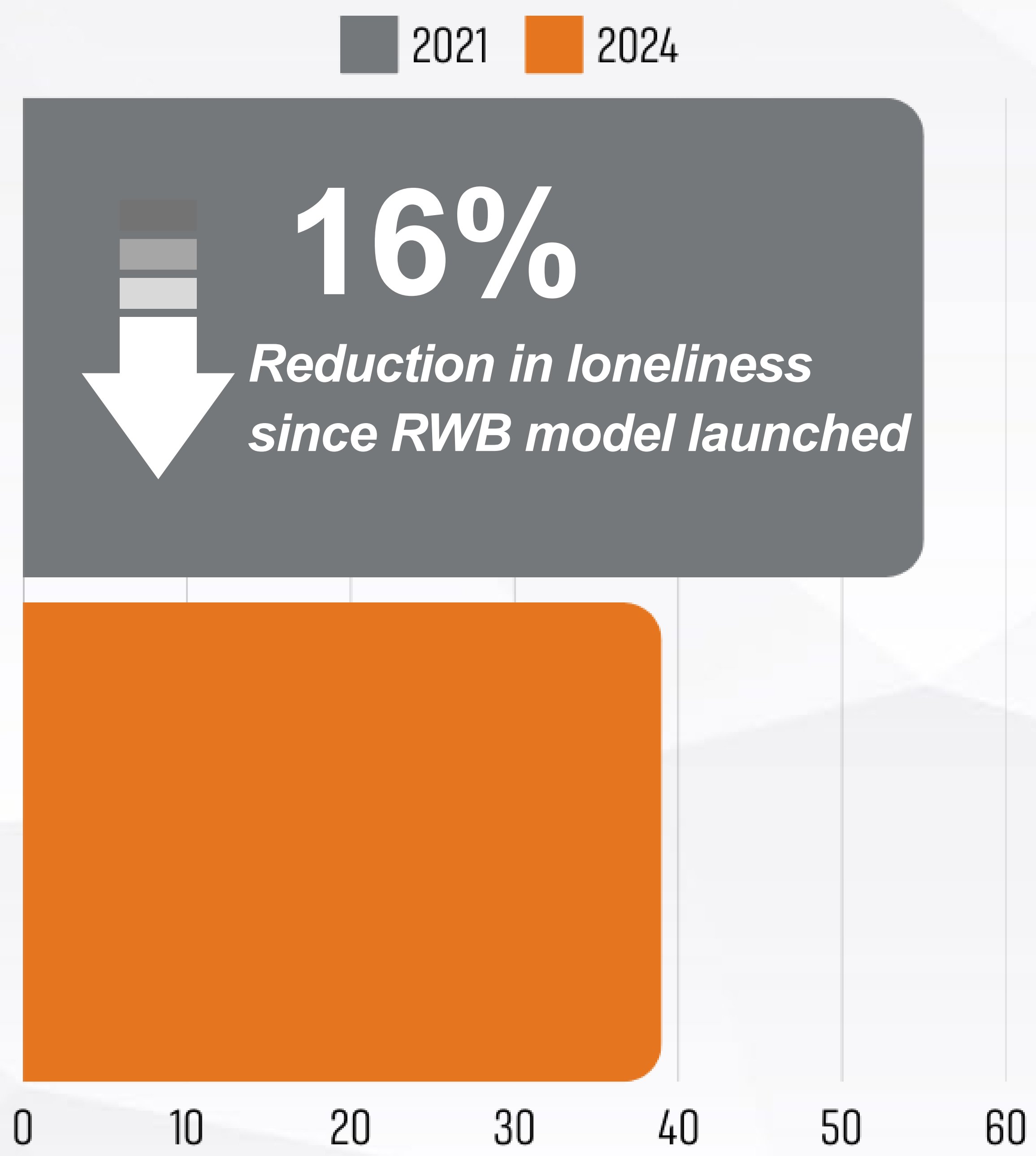
- ✓ **Increase Engagement**
- ✓ **Increase Overall Well-being**
- ✓ **Decrease Loneliness**

TRANSFORMING ON-CAMPUS LIVING

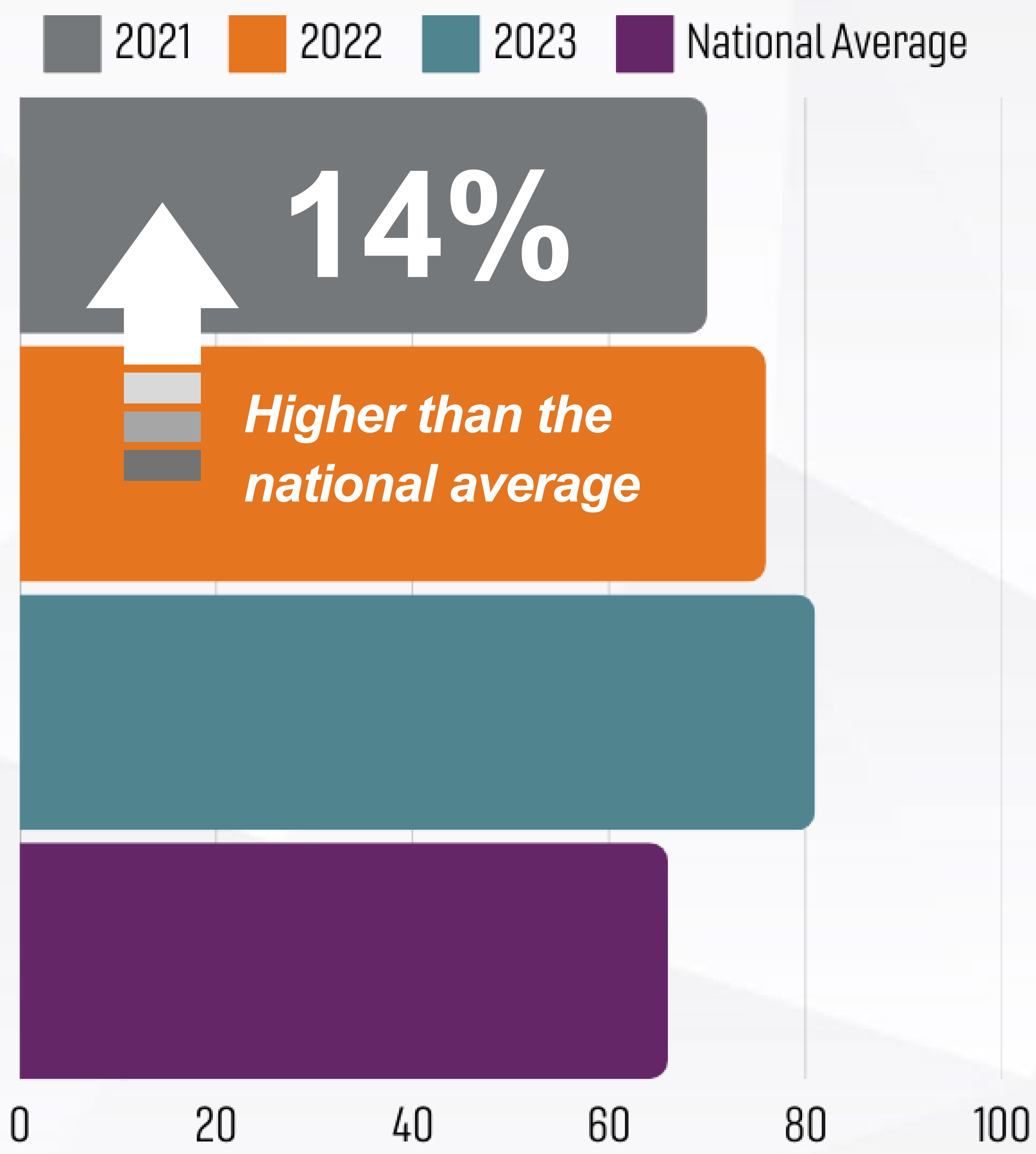
STUDENT AFFAIRS
VIRGINIA TECH

Residential Well-being's Impact

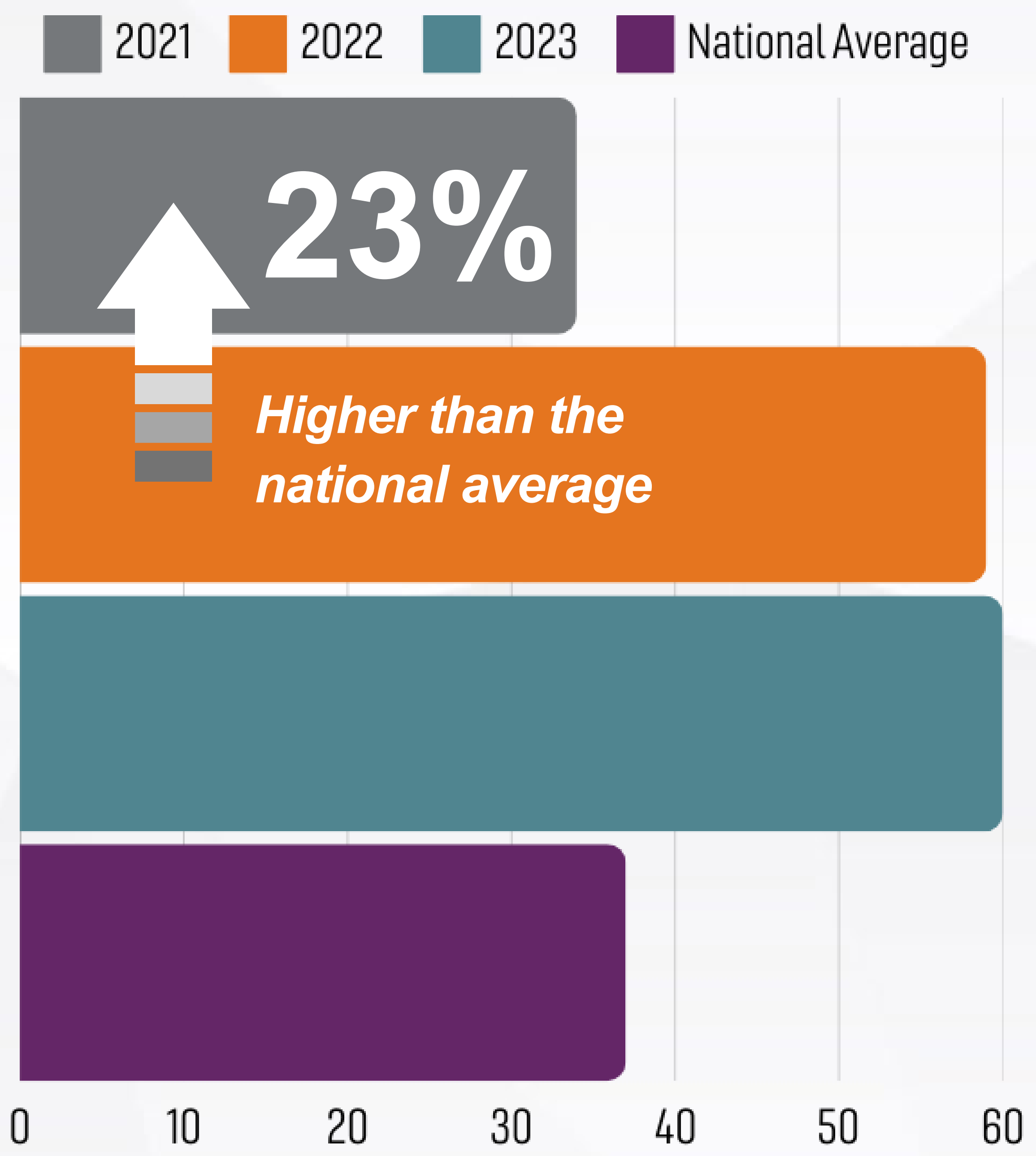
ON LONELINESS



ON ENGAGEMENT



ON WELL-BEING



THRIVING IN & OUT OF THE CLASSROOM

Living-Learning Programs

Living-Learning Programs provide students with the opportunity to thrive both in and out of the classroom in a learning environment that becomes home.

Living-Learning Program students have been shown to have:

- Higher GPAs than their non-LLP peers
- Fewer conduct referrals than non-LLP residents
- Higher rates of mentorship by faculty and peers

STUDENT AFFAIRS
VIRGINIA TECH

THRIVING IN & OUT OF THE CLASSROOM

Living-Learning Programs Academic Impact

FIRST-YEAR GPA

3.23 GPA

Students in LLPs have a **higher GPA** for their first year compared to their peers at 3.17

FIRST-YEAR RETENTION

93%

93% retention rate for first-year LLP students compared to off-campus students (81%)

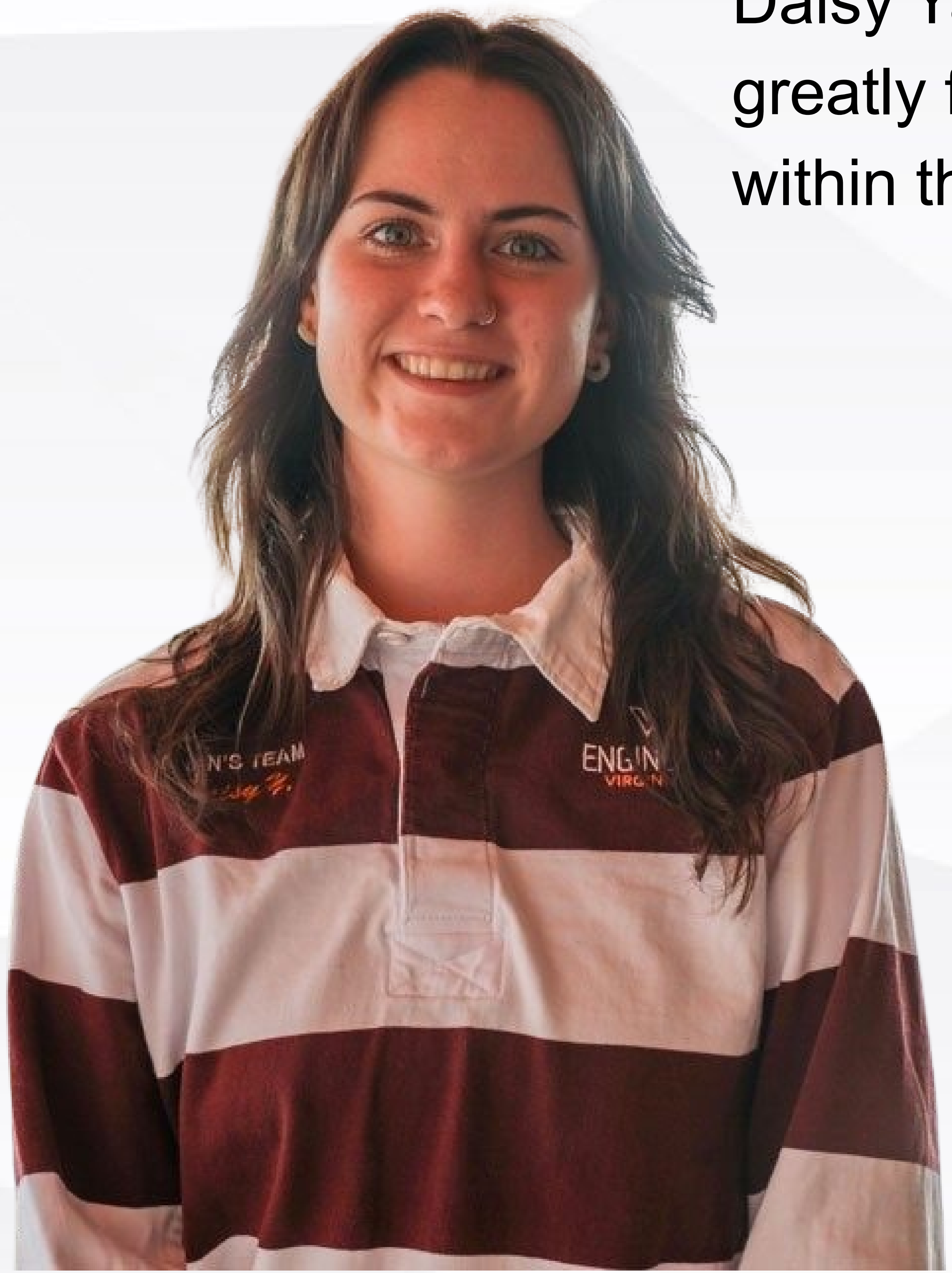
TRANSFER RETENTION

93%

93% retention rate for transfer LLP students compared to non-LLP peers (90%)

A STUDENT STORY

Meet Daisy Yates from the Honors Residential Commons



Daisy Yates, a senior civil engineering student at Virginia Tech, benefited greatly from her Living Learning program and the supportive community within the Honors Residential Commons (HRC). She credits the HRC with:

- **Engagement & Support:** She quickly connected with other students who helped her integrate into the community and discover new opportunities.
- **Encouragement & Opportunities:** Participated in programs and developed leadership skills through various academic and extracurricular activities.
- **Becoming a Mentor:** Inspired her to become a Residential Well-Being Student leader, where she mentors first-year students.

REFERENCES

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STUDENT AFFAIRS
VIRGINIA TECH

DISCUSSION OF "PRINCIPLES GUIDING VIRGINIA TECH'S POLICIES AND PRACTICES"
(discussion draft)

Preamble: Virginia Tech's administration will continue its long-standing commitment to complying with all applicable anti-discrimination laws. Based on its record of responses to Office of Civil Rights (OCR) investigations and outcomes of investigations, it is confident that such compliance has been achieved.

The university recognizes that the "Dear Colleague Letter" (DCL) issued by the Department of Education's Office for Civil Rights on February 14, 2025, while not possessing the force of law, now offers interpretations of law that could result in outcomes of OCR investigations that are inconsistent with those conducted in the past. Considering the possibility that further clarification through the legal process may be drawn out over months or years, Virginia Tech has with due diligence been reviewing its policies and practices through the lens of the DCL and preceding Executive Orders. To guide this review, the following draft principles are presented to the Board of Visitors for discussion in the open session of ARSA on March 24th, 2025.

Principles guiding Virginia Tech's policies and practices (discussion draft):

- Virginia Tech affirms the rights guaranteed by the First Amendment of the U.S. Constitution, including the right to **freedom of speech and peaceful freedom of assembly** consistent with reasonable time, place and manner rules. The First Amendment requires the university to protect the expression of ideas and opinions, including those that people may find controversial, disagreeable, or offensive. It also protects the right of people to gather together to express, promote, pursue and defend their opinions.
- **Academic freedom, free expression, and open inquiry** are core principles of higher education. Academic freedom enables scholars to conduct research, teach, speak, and publish within an area of expertise without interference or penalty. Academic freedom is essential to create and disseminate knowledge with the mission of improving the quality of life and the human condition within the Commonwealth of Virginia and throughout the world. Virginia Tech must ensure that all members of the university community can ask questions, listen to others, and learn through exposure to a range of ideas from a diverse community of scholars.
- In accordance with federal laws, Virginia Tech **does not discriminate** for or against any person on the basis of race, color, ethnicity, religion, sex, or national origin.
- **Virginia Tech will not require** as a condition of admission, employment, promotion or advancement, that **a student or an employee undergo training, education, coursework, or other pedagogy,** that asserts that a particular race, color, ethnicity, religion, sex, or national origin, disability, or veteran status, or individuals who identify as such, are inherently or systemically superior or inferior, oppressive or oppressed, or privileged or unprivileged.
- **Virginia Tech will not require** as a condition of admission, employment, promotion or advancement the **signing of or assent to a statement, code of conduct, work**

program, or plan, or similar device that requires assent by the student or employee that a particular race, color, ethnicity, religion, sex, or national origin, disability, or veteran status, or individuals who identify as such, are inherently or systemically superior or inferior, oppressive or oppressed, or privileged or unprivileged.

- In furtherance of these principles, Virginia Tech reaffirms its commitment to the Virginia Tech **Principles of Community** as adopted by the Virginia Tech Board of Visitors.

MOTION TO BEGIN CLOSED SESSION

WHEREAS, the Academic, Research, and Student Affairs Committee of the Board of Visitors of Virginia Polytechnic Institute and State University desires to convene in closed session;

NOW, THEREFORE, BE IT RESOLVED, that the Academic, Research, and Student Affairs Committee moves to continue in closed session to discuss:

- the appointment of faculty members to emerita or emeritus status,
- the appointment of faculty members to endowed chairs, professorships, or fellowships,
- the reappointment of faculty members to endowed chairs, professorships, and fellowships,
- the appointment of faculty members to Alumni Distinguished Professor,
- the appointment of faculty members to University Distinguished Professor,
- the approval of faculty appointments with tenure
- the approval of faculty appointments with tenure-to-title,
- the approval of faculty research leaves, and
- individual faculty performance and salaries and personnel changes.

Pursuant to section 2.2-3711(A)(1), Code of Virginia, as amended.

RESOLUTION OF VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY REGARDING THE PRESIDENTIAL EXECUTIVE ORDER ON DIVERSITY, EQUITY, AND INCLUSION

WHEREAS, Virginia Polytechnic Institute and State University highly values diversity, including diversity of thought and experience, and fosters an inclusive environment, encouraging a culture of opportunity for all, which immensely enriches our campus, and is committed to providing every student an education that is free from discrimination and grounded in merit; and

WHEREAS, Virginia Polytechnic Institute and State University's mission statement includes a commitment to "improving the quality of life and the human condition within the Commonwealth of Virginia and throughout the world"; and

WHEREAS, on January 21, 2025, President Donald J. Trump signed the Executive Order titled "Ending Illegal Discrimination and Restoring Merit-Based Opportunity"; and

WHEREAS, the U.S. Department of Education (USED) issued a Dear Colleague Letter on February 14, 2025, to clarify and affirm the nondiscrimination obligations of institutions receiving federal funds by explaining and reiterating existing legal requirements under Title VI of the Civil Rights Act of 1964, the Equal Protection Clause of the U.S. Constitution, and other federal civil rights laws; and

WHEREAS, the USED released Frequently Asked Questions on March 1, 2025, to anticipate and answer questions that might be raised by the Dear Colleague Letter and to facilitate compliance with Title VI of the Civil Rights Act of 1964, the Equal Protection Clause of the U.S. Constitution, and Students for Fair Admissions v. Harvard; and

WHEREAS, the state law obligations of Commonwealth of Virginia agencies do not require a standalone office of Diversity, Equity, and Inclusion (DEI) or dedicated DEI officers, nor do they require an infrastructure, strategic plan, or any elements that do not comply with Title VI of the Civil Rights Act of 1964, the Equal Protection Clause of the U.S. Constitution, and other federal civil rights laws; and

WHEREAS, both the Virginia Polytechnic Institute and State University Board of Visitors and its administration are committed to complying with the law, including the Equal Protection Clause of the U.S. Constitution, Title VI of the Civil Rights Act of 1964, and other federal civil rights laws, informed by guidance provided in the January 21, 2025, Executive Order, the Dear Colleague Letter, and the March 1, 2025, Frequently Asked Questions;

NOW, THEREFORE, BE IT RESOLVED that the university will take the following actions as informed by the guidance in the February 14, 2025, Dear Colleague Letter as well as the March 1, 2025, Frequently Asked Questions document:

1. Ensure that all university programs, policies, practices, and actions in every regard comply with the Equal Protection Clause of the U.S. Constitution, Title VI of the Civil Rights Act of 1964, and other federal civil rights laws. This includes, but is not

limited to: admissions, hiring, promotion, compensation, financial aid, scholarships, prizes, administrative support, discipline, housing, graduation ceremonies, and all other aspects of student, academic, and campus life;

2. Ensure there are no efforts to circumvent prohibitions on the use of race by relying on proxies or other indirect means to accomplish such end; and

3. Ensure there are no third-party contractors, clearinghouses, or aggregators that are being used by institutions in an effort to circumvent prohibited uses of race; and

BE IT FURTHER RESOLVED that the university's Office for Inclusive Strategy and Excellence is hereby dissolved; and

BE IT FURTHER RESOLVED that the university shall immediately transfer permissible programs to a new organizational home; and

BE IT FURTHER RESOLVED that the university shall continue to review ongoing guidance from USED and the U.S. Attorney General and make appropriate changes to comply fully with the Equal Protection Clause of the U.S. Constitution, Title VI of the Civil Rights Act of 1964, and other federal civil rights laws; and

LASTLY, BE IT RESOLVED that the president of the university shall update the Board of Visitors on compliance with this resolution within 30 days of the date of this resolution.

RECOMMENDATION:

That the resolution regarding the Presidential Executive Order on Diversity, Equity, and Inclusion be approved.

March 25, 2025

Open Session Agenda

BUILDINGS AND GROUNDS COMMITTEE

Tuesday, March 25, 2025

Open session meeting begins at 11:00 a.m. in Latham A/B.

	Agenda Item	Reporting Responsibility
1.	Welcome and Introductions	Tish Long
2.	Consent Agenda	Tish Long
	a. Minutes from the November 2024 Committee Meeting	Dwyn Taylor
*	b. Resolution on the Demolition of University Building 0800	
	c. Acceptance of the Capital Project Status Report	
3.	Design Review – New Business Building	Travis Jessee
4.	Future Agenda Items and Closing Remarks	Tish Long

*** Requires Full Board Approval**
 # Discusses Enterprise Risk Management Topic(s)
+ Discusses Strategic Investment Priorities Topic(s)

Open Session Briefing Report

BUILDINGS AND GROUNDS COMMITTEE

Tuesday, March 25, 2025

Open session meeting begins at 11:00 a.m. in Latham A/B.

1. **Welcome and Introductions:** The Committee Chair will open with welcoming remarks and introductions.

2. **Consent Agenda:** The Committee will consider for approval and acceptance the items listed on the Consent Agenda.

   a. **Minutes from the November 2024 Committee Meeting:** The Committee will review for approval the minutes from the November 2024 Committee Meeting.

* b. **Resolution on the Demolition of University Building 0800:** The Committee will review for approval a resolution on the demolition of university building 0800 (Frame 1-Family Main Dwelling). This facility is a wood framed 3,495 gross square foot dwelling, two-stories above grade on a stone foundation basement. It is located at the Middleburg Agricultural Research and Extension Center, 5414 Sullivans Mill Road, Middleburg. Originally constructed in 1940, with two odd-shaped later additions and a deck, the building was used for residential farm worker housing, is currently unoccupied, is in poor condition, and is uneconomical to repair. The site would be repurposed for bulk storage of farm materials. The facility is located within the Little River Rural Historic District and was identified in 2010, as a contributing asset to the district, constructed prior to the transfer of ownership of the Edgewood and Greenhill estates from Paul Mellon to Virginia Tech in 1948 for the establishment of the outreach experiment station. The university will obtain review from the Department of Historic Resources and the Art and Architecture Review Board, and any required approvals prior to the demolition of this structure.

   c. **Acceptance of the Capital Project Status Report:** The Committee will review for acceptance the quarterly capital project status report. The current active portfolio of projects includes 19 authorized projects – active and complete (within a 1-year warranty phase) – with a total value of approximately $1 billion, adds approximately 1.2 million gross square feet of new construction, and renovates nearly 298,000 gross square feet of existing space.

*** Requires Full Board Approval**
 # Discusses Enterprise Risk Management Topic(s)
+ Discusses Strategic Investment Priorities Topic(s)

3. **Design Review – New Business Building:** The Committee will review for approval the design review for the New Business Building. The Pamplin College of Business is nationally recognized for its business programs and is integral to Virginia Tech's delivery of instruction and research programming in support of the commonwealth. The New Business Building project will provide a consolidated location for the college, allowing the college to amplify program impact, as well as couple with the Data and Decision Sciences building to complete the academic facilities of the Global Business and Analytics Complex (GBAC). Once complete, GBAC will be a transformative academic and physical addition to the North Academic District. The prominent site, on the corner of Prices Fork Road and West Campus Drive, presents the university a valuable opportunity to create a new campus gateway at this previously undeveloped primary intersection. Substantial completion is anticipated for summer 2027. The project planning authorization, approved at the April 4, 2022 Board of Visitors meeting, includes $8 million of private gifts. The total project cost will be supported by a combination of private gifts, non-general fund cash, and university non-general fund debt. The design preview was approved by the Buildings and Grounds Committee at the June 2024 meeting.

4. **Future Agenda Items and Closing Remarks:** The Committee Chair will discuss future agenda items and make closing remarks.

*** Requires Full Board Approval**
 # Discusses Enterprise Risk Management Topic(s)
+ Discusses Strategic Investment Priorities Topic(s)

Open Session Minutes

BUILDINGS AND GROUNDS COMMITTEE

Monday, November 18, 2024

<u>Open Session Tour</u>
The Buildings and Grounds Committee of the Board of Visitors of Virginia Polytechnic Institute and State University convened on Monday, November 18, 2024 at 1:30 p.m. in open session to depart for a tour of university facilities. A quorum of the Committee was present. Mr. Horsley presided as Acting Committee Chair in Ms. Long's absence.

Board members present: Ed Baine (Rector), David Calhoun (Vice Rector), Donald Horsley (Acting Committee Chair), Nancy Dye, Bill Holtzman, Anna James, Starlette Johnson, Ryan McCarthy, J. Pearson, Jeanne Stosser, Janice Austin (A/P Faculty Representative), LaTawnya Burleson (Staff Representative), Rachel Miles (Faculty Representative), Leslie Orellana (Undergraduate Student Representative), William Poland (Graduate and Professional Student Representative)

University personnel and guests: President Tim Sands, Ted Acord, Noah Alderman, Cassidy Blackmore, Cyril Clarke, Meghan Marsh, Nam Nguyen, Kim O'Rourke, Todd Robertson, Jeremiah Ruley, Brennan Shepard, Dwyn Taylor, Chris Tedder, Jon Clark Teglas

1. **Tour of University Facilities:** The Committee participated in a tour of university facilities.

    a. **Power Plant:** The Power Plant opened in 1901 and is located on the Blacksburg campus at the intersection of Barger and Turner Streets. The Power Plant generates an annual steam output of approximately 943 billion BTUs (British thermal units) and provides campus buildings with a portion of their heat, hot water, and electricity needs. There are six boilers at the plant that produce the steam necessary for operations. The extensive network of underground steam tunnels provides heat to more than 6.8 million square feet of campus buildings. Operating the plant to maintain everyday activities of the university is facilitated by stringent safety and environmental protection protocols, including safety training, annual equipment inspections, close monitoring of nitrogen oxide (NOx) output levels, and more.

    b. **Southwest Chiller Plant:** The Southwest Chiller Plant opened in 2014 and is located in the Life Sciences District of the Blacksburg campus in the Duckpond Drive parking lot. The Southwest Chiller Plant has three machines that produce and distribute chilled water to the southwest portion of campus. Completed in 2021, the Chiller Plant Phase II capital project connected the Southwest and North Chiller plants. This improved the water capacity on campus as well as added and updated equipment to maximize the existing plant footprint and optimize chilled water flow.

The tour concluded and the Committee returned to the Inn at Virginia Tech and Skelton Conference Center at 3:20 p.m.

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Tuesday, November 19, 2024

Open Session Meeting

The Buildings and Grounds Committee of the Board of Visitors of Virginia Polytechnic Institute and State University met in open session on Tuesday, November 19, 2024 at 10:00 a.m. in Latham Ballroom A of the Inn at Virginia Tech and Skelton Conference Center in Blacksburg, Virginia. A quorum of the Committee was physically present. Mr. Horsley presided as Acting Committee Chair in Ms. Long's absence.

Board members present: Ed Baine (Rector), Donald Horsley (Acting Committee Chair), Nancy Dye, Bill Holtzman, J. Pearson, Jeanne Stosser, Leslie Orellana (Undergraduate Student Representative), William Poland (Graduate and Professional Student Representative)

**One Board member participated remotely from their home for medical reasons in accordance with Code of Virginia §2.2-3708.3(B).*

University personnel and guests: President Tim Sands, Lynsay Belshe, Cassidy Blackmore, Cyril Clarke, Al Cooper, April DeMotts, Mark Gess, Emily Gibson, Dan Givens, Dee Harris, Frances Keene, Lu Liu, Rob Mann, Megan Marsh, Jeff Mitchell, Nam Nguyen, Jeff Orzolek, Mark Owczarski, Charlie Phlegar, Amy Sebring, Brennan Shepard, Ken Smith, Mike Staples, Matt Stolte, Dan Sui, Dwyn Taylor, Jon Clark Teglas, Chris Wise, Chris Yianilos,

2. **Welcome and Introductions:** Mr. Horsley convened the meeting and provided welcoming remarks.

3. **Consent Agenda:** The Committee accepted the Consent Agenda as presented and approved the items it contained.

   a. **Minutes from the August 2024 Committee Meeting:** The Committee approved the minutes from its August 2024 meeting.

   b. **Acceptance of the Capital Project Status Report:** The Committee accepted the quarterly capital project status report. The current active portfolio of projects includes 18 authorized projects – active and complete (within a 1-year warranty phase) – with a total value of approximately $1 billion, adds approximately 1.2

million gross square feet of new construction, and renovates nearly 298,000 gross square feet of existing space.

c. **Annual Report on Sustainability:** The Committee accepted the annual report on sustainability. Virginia Tech serves as a model community for a sustainable society and is committed to advancing sustainability in academics (curriculum and research), engagement, operations, planning, and administration. The university maintains a gold rating from the Association for Advancement of Sustainability in Higher Education (AASHE) using the Sustainability Tracking, Assessment, and Rating System (STARS).

+ **Overview of Energy and Utilities:** The Committee received an overview of the university's energy and utilities portfolio from Nam Nguyen, Executive Director for Energy and Utilities. One of four primary business lines within the university's Facilities Division, the Energy and Utilities team includes the Power Plant, Chilled Water Plant, Virginia Tech Electric Service, Mechanical Utilities, and Office of Energy Management. Core focus areas for the team include safety, reliability, asset management, energy conservations, and energy efficiency.

+ 5. **Update on the Utilities Master Plan:** The Committee received an update on the Utilities Master Plan from Matt Stolte, University Engineer. In 2018, Virginia Tech completed its most recent campus master planning effort resulting in 'Beyond Boundaries 2047: The Campus Plan. In 2020, Virginia Tech revised its Climate Action Commitment, setting sustainability goals and milestones thru 2050. The Utilities Master Plan will provide a comprehensive utilities framework to ensure that future programmatic needs are met and that the university remains a leader in the field of higher education infrastructure. The project is underway and expected to be completed in 2025.

6. **Future Agenda Items and Closing Remarks:** The Committee discussed potential topics for inclusion on future meeting agendas.

There being no further business, the meeting adjourned at 10:59 a.m.

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<u>**Joint Open Session with the Finance and Resource Management Committee**</u>

The Buildings and Grounds Committee and the Finance and Resource Management Committee of the Board of Visitors of Virginia Polytechnic Institute and State University convened on Tuesday, November 19, 2024 at 8:15 a.m. in joint open session in Latham Ballroom B of the Inn at Virginia Tech and Skelton Conference Center in Blacksburg, Virginia. A quorum of the joint Committee was present.

Board members present: Ed Baine (Rector), David Calhoun (Vice Rector), Sandy Davis*, Nancy Dye, Don Horsley, Anna James, Starlette Johnson, Ryan McCarthy, Jim Miller, J. Pearson, John Rocovich, Janice Austin (A/P Faculty Representative), LaTawnya

Burleson (Staff Representative), Leslie Orellana (Undergraduate Student Representative)

**One Board member participated remotely from their home for medical reasons in accordance with Code of Virginia §2.2-3708.3(B).*

University personnel and guests: President Tim Sands, Simon Allen, Beth Armstrong, Mac Babb, Callan Bartel, Lynsay Belshe, Jeff Earley, Thomas Feeley, Suzanne Gooding, Kay Heidbreder, Tim Hodge, Andrew Jessup, Anne Keeler, Frances Keene, Sharon Kurek, Katie Lynch, Rob Mann, Elizabeth McClanahan, Nancy Meacham, Laurel Minor, Mike Mulhare, Kim O'Rourke, Mark Owczarski, Charlie Phlegar, Amy Sebring, Brennan Shepard, Ken Smith, Mike Staples, Michael Stowe, Dan Sui, Monecia Taylor, Dwyn Taylor, Jon Clark Teglas, Mike Walsh, Jake Wierer

1. **Approval of Resolution for a Capital Planning Project for a New Virginia Tech Rescue Squad Facility:** The Committees reviewed for approval a resolution for a $2 million capital planning project for a new Virginia Tech rescue squad facility, to be located on Oak Lane. This project is for an approximately 12,500 gross square foot building and the estimated total project cost is $16 million.

   The Committees recommended the Resolution for a Capital Planning Project for a New Virginia Tech Rescue Squad Facility to the full Board for approval.

There being no further business, the meeting adjourned at 8:22 a.m.

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Open Session Agenda

BUILDINGS AND GROUNDS COMMITTEE

Monday, November 18, 2024
Tour begins at 1:30 p.m. at the Power Plant.

	Agenda Item	Reporting Responsibility
1.	Tour of University Facilities a. Power Plant b. Southwest Chiller Plant	Dwyn Taylor

Tuesday, November 19, 2024
Open session meeting begins at 10:00 a.m. in Latham Ballroom A of the Inn at Virginia Tech and Skelton Conference Center.

		Agenda Item	Reporting Responsibility
	2.	Welcome and Introductions	Donald Horsley
	3.	Consent Agenda	Donald Horsley
		a. Minutes from the August 2024 Committee Meeting	Dwyn Taylor
		b. Acceptance of the Capital Project Status Report	
		c. Annual Report on Sustainability	
# +	**4.**	Overview of Energy and Utilities	Nam Nguyen
# +	**5.**	Update on the Utilities Master Plan	Matt Stolte
	6.	Future Agenda Items and Closing Remarks	Donald Horsley

*** Requires Full Board Approval**
 # Discusses Enterprise Risk Management Topic(s)
+ Discusses Strategic Investment Priorities Topic(s)

Open Joint Session Agenda

FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND BUILDINGS AND GROUNDS COMMITTEE

8:15 a.m.
Latham Ballroom B, the Inn at Virginia Tech

November 19, 2024

		Agenda Item	Reporting Responsibility
*	1.	Approval of Resolution for a Capital Planning Project for a New Virginia Tech Rescue Squad Facility	Simon Allen Dwyn Taylor Rob Mann

* **Requires full Board approval**
\# **Discusses Enterprise Risk Management topic(s)**
\+ **Discusses Strategic Investment Priorities topic(s)**

Resolution on the Demolition of University Building 0800

BUILDINGS AND GROUNDS COMMITTEE

Tuesday, March 25, 2025

The Committee will review for approval a resolution on the demolition of university building 0800.

The university requests approval to demolish building no. 0800 (Frame 1-Family Main Dwelling). This facility is a wood framed 3,495 gross square foot dwelling, two-stories above grade on a stone foundation basement. It is located at the Middleburg Agricultural Research and Extension Center, 5414 Sullivans Mill Road, Middleburg, Virginia. Originally constructed in 1940, with two odd-shaped later additions and a deck, the building was used for residential farm worker housing, is currently unoccupied, is in poor condition, and is uneconomical to repair. The site would be repurposed for bulk storage of farm materials.

The facility is located within the Little River Rural Historic District and was identified in 2010, survey DHR ID 030-5579-0016, as a contributing asset to the district, constructed prior to the transfer of ownership of the Edgewood and Greenhill estates from Paul Mellon to Virginia Tech in 1948 for the establishment of the outreach experiment station. The university will obtain review from the Department of Historic Resources and the Art and Architecture Review Board, and any required approvals prior to the demolition of this structure.

DEMOLITION of UNIVERSITY BUILDING NO. **0800**

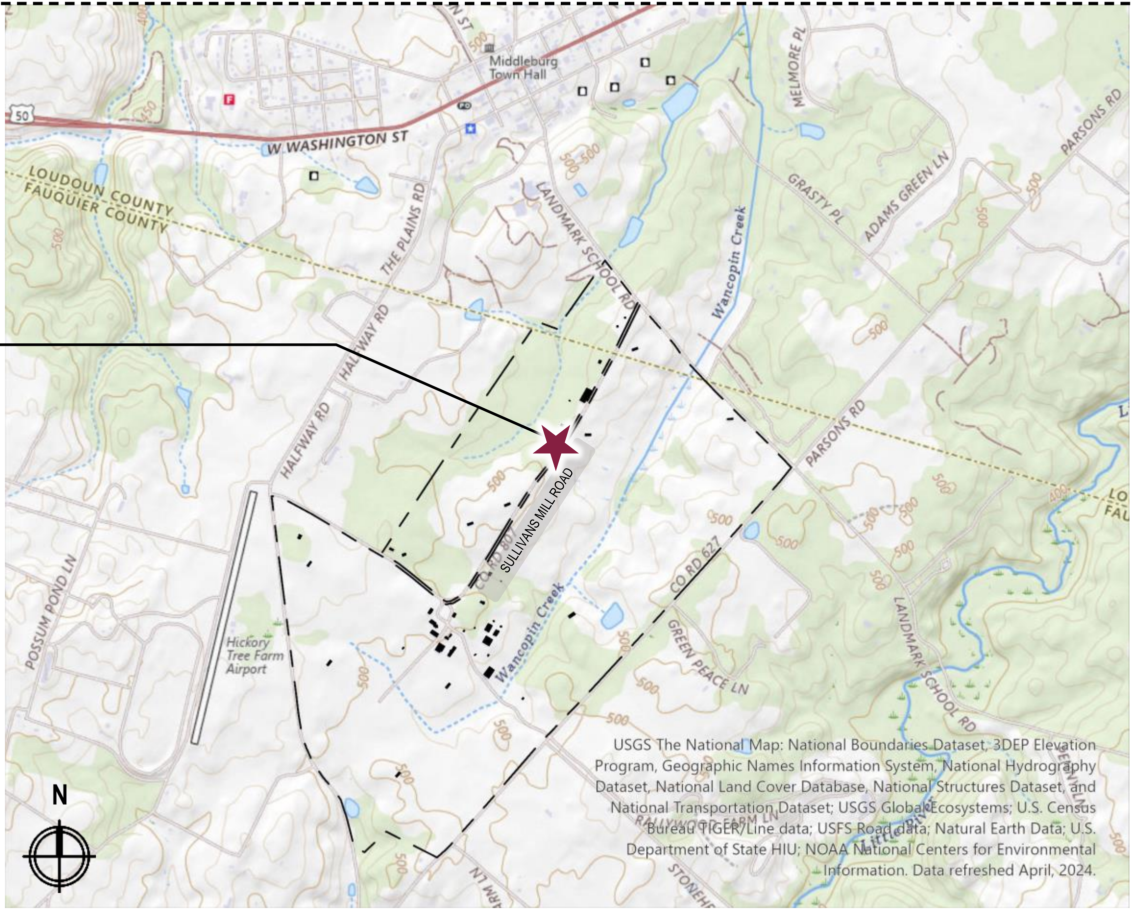
LIZA MORRIS

ASSISTANT VICE PRESIDENT FOR PLANNING AND UNIVERSITY ARCHITECT

March 25, 2025

PROJECT LOCATION

SITE



N

Middleburg Agricultural
Research and Extension Center
Middleburg, VA

PROJECT SITE

Building No. 0800
(Frame 1-Family
Main Dwelling)

Middleburg Agricultural
Research and Extension Center
Middleburg, VA

EXISTING CONDITIONS

BUILDING NO. 0800

VIEW TO THE NORTHWEST

VIEW TO THE SOUTHWEST

EXISTING CONDITIONS

BUILDING NO. 0800

VIEW TO THE SOUTHEAST

VIEW TO THE NORTHEAST

RECOMMENDATION

That the resolution authorizing the Demolition of University Building No. 0800 (Frame 1-Family Main Dwelling) be approved.

**RESOLUTION ON DEMOLITION OF UNIVERSITY BUILDING –
BUILDING NO. 0800 (FRAME 1-FAMILY MAIN DWELLING)**

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has the authority to approve the disposition of any building; and

WHEREAS, the Building No. 0800 (Frame 1-Family Main Dwelling) is a wood framed 3,495 gross square foot dwelling, two-stories above grade on a stone foundation basement, located at the Middleburg Agricultural Research and Extension Center, 5414 Sullivans Mill Road, Middleburg, Virginia; and

WHEREAS, the building was constructed in 1940, with later additions, was used for residential farm worker housing, is currently unoccupied, is in poor condition and uneconomical to repair; and

WHEREAS, the university seeks to repurpose the site for bulk storage of farm materials; and

WHEREAS, the facility is located within the Little River Rural Historic District and was identified in 2010, survey DHR ID 030-5579-0016, as a contributing asset to the district; and

WHEREAS, the university will obtain review from the Department of Historic Resources and the Art and Architecture Review Board, and any required approvals prior to the demolition of this structure;

NOW, THEREFORE, BE IT RESOLVED that the Board of Visitors approve the demolition of Building No. 0800, located at the Middleburg Agricultural Research and Extension Center in Middleburg, Virginia, in accordance with the applicable statues of the Code of Virginia (1950), as amended.

RECOMMENDATION:

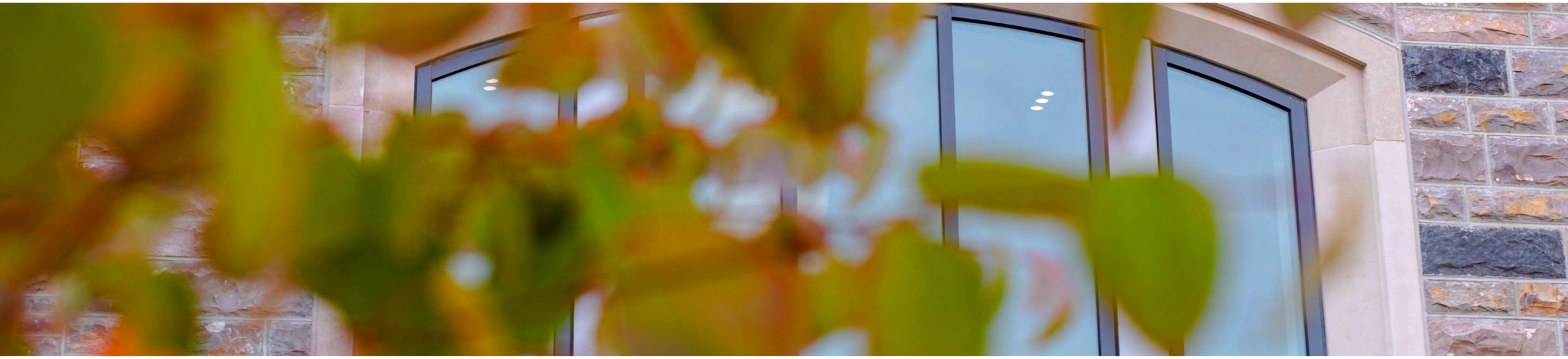
That the above resolution authorizing the demolition of university building no. 0800 be approved.

March 25, 2025

CAPITAL PROJECT STATUS REPORT

PREPARED FOR THE BUILDINGS AND GROUNDS COMMITTEE OF THE BOARD OF VISITORS

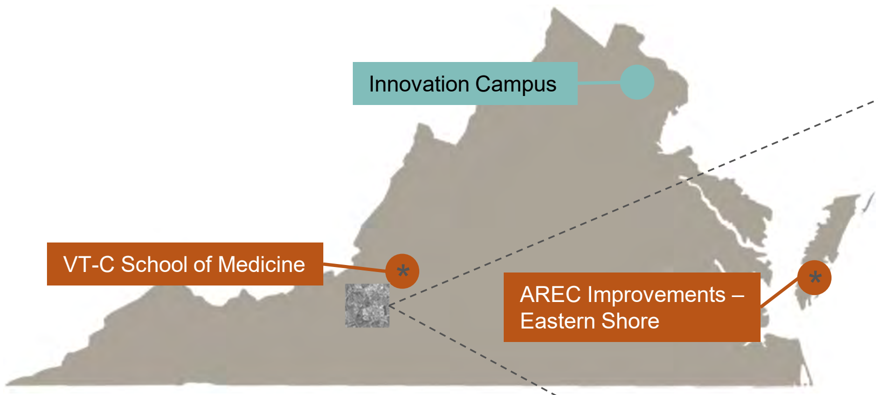
March 25, 2025



CAPITAL PROJECT PORTFOLIO

- 19 authorized projects – active and complete (w/in 1-year warranty phase)
- Total value of ~$1.0B
- Generates ~1.2M gross square feet (GSF) of new construction
- Renovates nearly 298K GSF of existing space

CAPITAL PROJECT PORTFOLIO



Blacksburg Campus

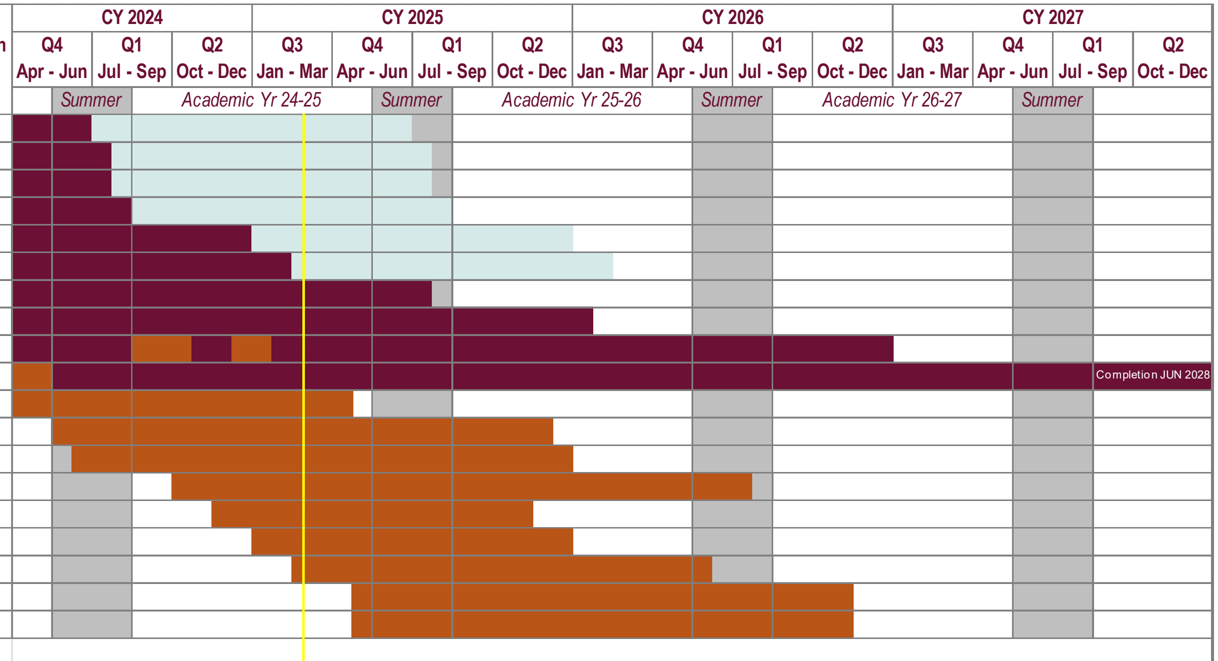
LEGEND

- In Design
- Under Construction
- Warranty/Complete
- * Planning Authorization Only

CAPITAL CONSTRUCTION EXECUTIVE SUMMARY (PROGRESSIVE)

Date Prepared: 5 MAR 2025

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)
HITT Hall	$85.0	$65.50	101,000	
Student Wellness Improvements	$70.0	$56.30		204,000
Football Locker Room Renovations	$5.9	$4.10		4,200
Undergraduate Science Laboratory Building	$90.4	$69.50	102,746	
Innovation Campus Academic Building	$302.1	$226.30	299,733	
Transit Center (Note 1)	N/A	N/A	13,606	
Life, Health, Safety, Accessibility & Code Compliance (Note 2)	$10.4	$7.70		
Livestock & Poultry Research Facilities (Ph I) --Various Locations	$25.3	$18.23	129,100	
Building Envelope Improvements (Note 3)	$47.2	$41.90		
Mitchell Hall (Note 4)	$292.3	$229.30	296,105	
New Business Building *(Planning Only)*	$8.0	TBD	92,000	
Student Life Village - Phase I *(Planning Only)*	$19.5	TBD	TBD	
Improve Center Woods Complex	$14.7	$9.75	25,900	
VT-Carilion School of Medicine Expansion *(Planning Only)*	$9.0	TBD	125,000	51,000
Improve Campus Accessibility *(Planning Only)*	$8.0	TBD		
Envelope Restoration Derring Hall *(Planning Only)*	$16.8	TBD		
AREC Improvements - Eastern Shore *(Planning Only)*	$15.7	TBD	25,000	14,000
CVM Teaching Hospital Renovation & Expansion *(Planning Only)*	$43.0	TBD	32,000	25,000
Rescue Squad Facility *(Planning Only)*	$2.0	TBD	TBD	
TOTALS	$1,065.30		1,242,190	298,200



LEGEND	Design	Construction	Warranty	Construction Phase TBD

NOTE 1 Non-Virginia Tech project

NOTE 2 Life, Health, Safety Acc. & Code Compliance includes three (3) phases: (1) Exterior Elevator Towers (complete) followed by Green Link Priorities 2 & 3 (construction underway)

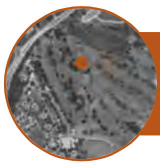
NOTE 3 Building Envelope Improvements includes four (4) phases: (1) Lane Stadium (complete), (2) Torgersen (construction underway), followed by (3) Hahn, and (4) Inn at Virginia Tech which are currently unscheduled

NOTE 4 Multiple GMPs results in design/construction overlap (fast track)

IN DESIGN

PROJECTS IN DESIGN

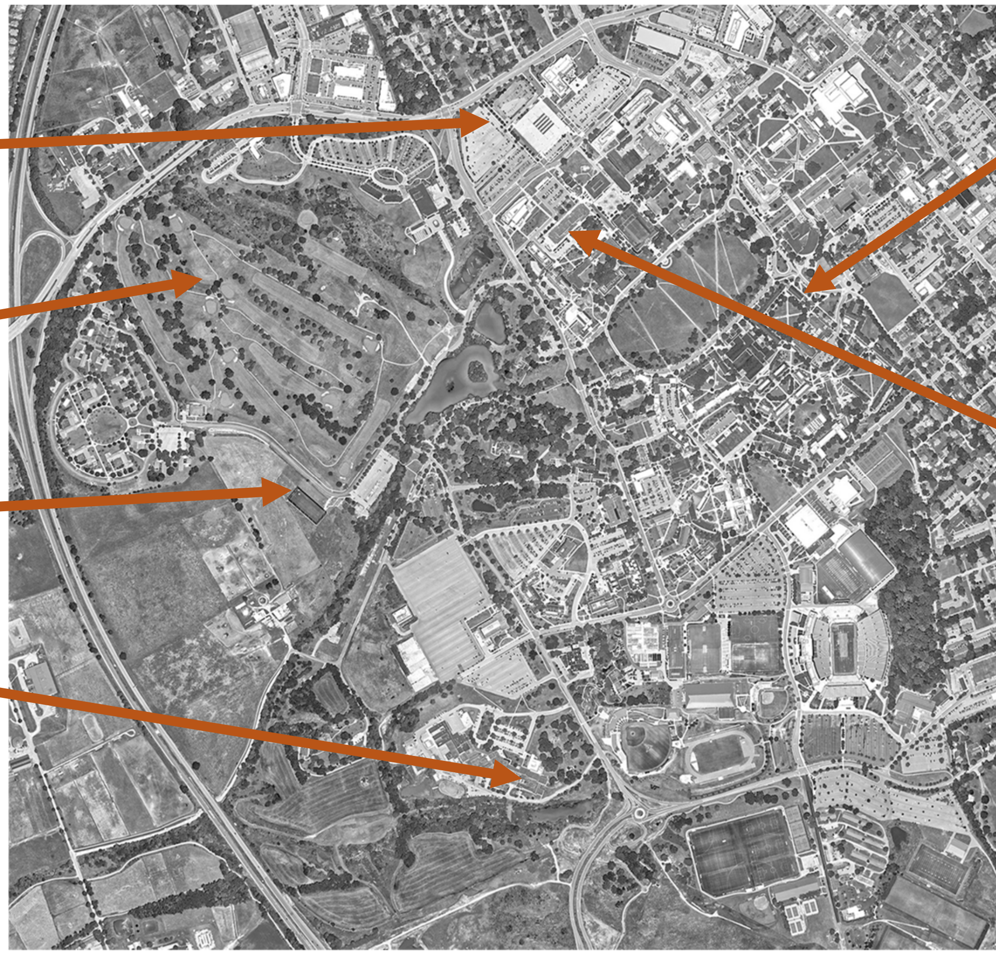

New Business Building*

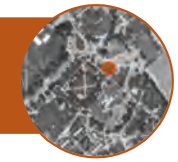

Student Life Village Phase I*


Rescue Squad Facility*


CVM Teaching Hospital Renovation & Expansion*


Improve Center Woods Complex




Improve Campus Accessibility*


Envelope Restoration Derring Hall*


Virginia Tech-Carilion School of Medicine Expansion*
(Roanoke, VA)


AREC Improvements – Eastern Shore*
(Painter, VA)

* Planning Authorization Only

NEW BUSINESS BUILDING

CM at Risk – BOV Authorized

Status

- Working Drawings ongoing

Next Actions

- Complete design and proceed with construction procurement

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024		CY 2024	CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer		Academic Yr 24-25		Summer	Academic Yr 25-26			Summer	Academic Yr 26-27			Summer		
New Business Building *(Planning Only)*	$8.0	TBD	92,000																

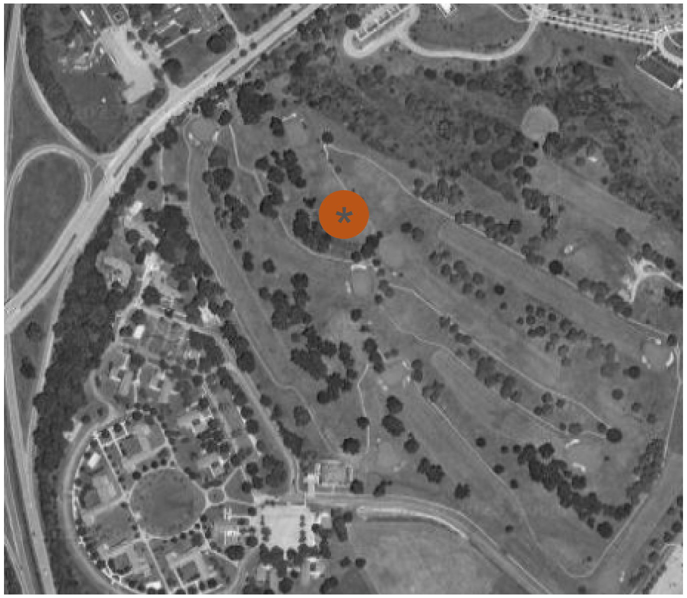
LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: Moseley

Builder: Kjellstrom & Lee

STUDENT LIFE VILLAGE – PHASE 1

CM at Risk – BOV Authorized



* Planning Authorization Only

Status

- Schematic Design ongoing

Next Actions

- Continue design efforts

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
						Summer		*Academic Yr 24-25*		*Summer*		*Academic Yr 25-26*		*Summer*		*Academic Yr 26-27*		*Summer*	
Student Life Village - Phase I *(Planning Only)*	$19.5	TBD	TBD																

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: Little/Boudreaux

Builder: Clark

IMPROVE CENTER WOODS COMPLEX

Design-Bid-Build – State Authorized

Status

- Preliminary Design ongoing

Next Actions

- Continue design efforts

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer	*Academic Yr 24-25*			*Summer*	*Academic Yr 25-26*			*Summer*	*Academic Yr 26-27*			*Summer*		
Improve Center Woods Complex	$14.7	$9.75	25,900																

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: WPA

Builder: TBD

VT-CARILION SCHOOL OF MEDICINE EXPANSION

CM at Risk – State Authorized

Status

- Schematic Design ongoing

Next Actions

- Continue design efforts

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer		*Academic Yr 24-25*		*Summer*		*Academic Yr 25-26*		*Summer*		*Academic Yr 26-27*		*Summer*		
VT-Carilion School of Medicine Expansion *(Planning Only)*	$9.0	TBD	125,000	51,000															

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: VMDO/Ballinger

Builder: Whiting Turner

IMPROVE CAMPUS ACCESSIBILITY

Design-Bid-Build – State Authorized

* Planning Authorization Only

Status

- ► Schematic Design ongoing

Next Actions

- ► Continue design efforts

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer		*Academic Yr 24-25*		*Summer*		*Academic Yr 25-26*		*Summer*		*Academic Yr 26-27*		*Summer*		
Improve Campus Accessibility *(Planning Only)*	$8.0	TBD																	

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: Hill Studio

Builder: TBD

ENVELOPE RESTORATION DERRING HALL

Design-Bid-Build – State Authorized

Status

- Schematic Design ongoing

Next Actions

- Continue design efforts

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
						Summer	*Academic Yr 24-25*		*Summer*	*Academic Yr 25-26*			*Summer*	*Academic Yr 26-27*			*Summer*		
Envelope Restoration Derring Hall *(Planning Only)*	$16.8	TBD																	

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: WDP

Builder: TBD

AREC IMPROVEMENTS – EASTERN SHORE

Design-Bid-Build – State Authorized

Status

- Schematic Design ongoing

Next Actions

- Continue design efforts

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer	*Academic Yr 24-25*			*Summer*	*Academic Yr 25-26*			*Summer*	*Academic Yr 26-27*			*Summer*		
AREC Improvements - Eastern Shore *(Planning Only)*	$15.7	TBD	25,000	14,000															

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: VIA

Builder: TBD

CVM TEACHING HOSPITAL RENOVATION & EXPANSION

Design-Bid-Build – State Authorized

* Planning Authorization Only

Status

- Procurement of design services ongoing

Next Actions

- Finalize procurement of design services contract

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
						Summer	*Academic Yr 24-25*			*Summer*	*Academic Yr 25-26*			*Summer*	*Academic Yr 26-27*			*Summer*	
CVM Teaching Hospital Renovation & Expansion *(Planning Only)*	$43.0	TBD	32,000	25,000															

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: TBD

Builder: TBD

RESCUE SQUAD FACILITY

Design-Bid-Build – State Authorized

* Planning Authorization Only

Status

- Procurement of design services ongoing

Next Actions

- Finalize procurement of design services contract

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer			*Academic Yr 24-25*	*Summer*		*Academic Yr 25-26*		*Summer*		*Academic Yr 26-27*		*Summer*		
Rescue Squad Facility *(Planning Only)*	$2.0	TBD	TBD																

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: TBD

Builder: TBD

UNDER CONSTRUCTION

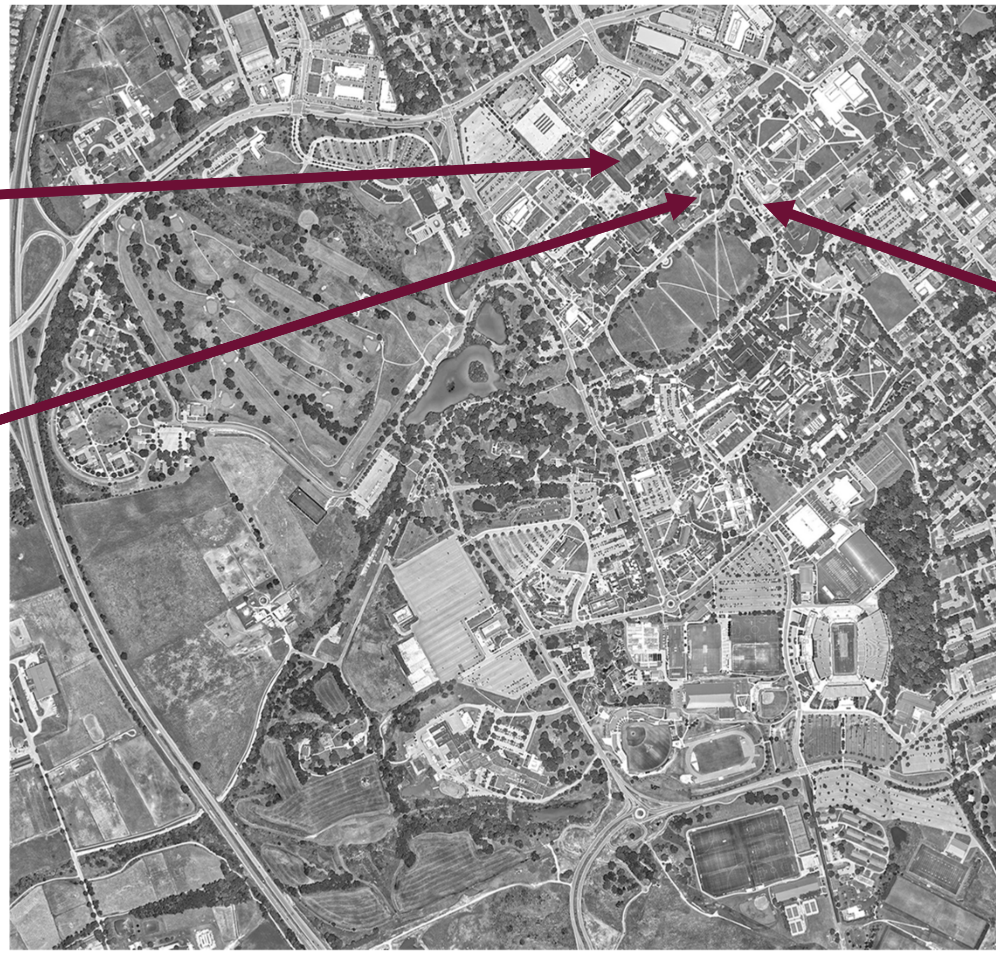
ACTIVE CONSTRUCTION PROJECTS

Mitchell Hall

Life, Health, Safety, Accessibility, & Code Compliance

Livestock & Poultry Research Facilities Phase I
(Various Locations)

Building Envelope Improvements



LIFE, HEALTH, SAFETY, ACCESSIBILITY, & CODE COMPLIANCE

Design-Bid-Build – State Authorized

Status

- Priority 1 Exterior Elevator Towers construction complete
- Priority 2 Green Link construction underway (80% complete)
- Priority 3 Green Link construction underway (25% complete)

Next Actions

- Complete Priority 1 close-out
- Continue Priority 2 construction
- Continue Priority 3 construction

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer		Academic Yr 24-25		Summer		Academic Yr 25-26		Summer		Academic Yr 26-27		Summer		
Life, Health, Safety, Accessibility & Code Compliance	$10.4	$7.70																	

LEGEND: Design | Construction | Warranty | Construction Phase TBD

Designer: Various

Builder: Various

LIVESTOCK & POULTRY RESEARCH FACILITIES – PHASE 1 (BID PACKAGE 5)

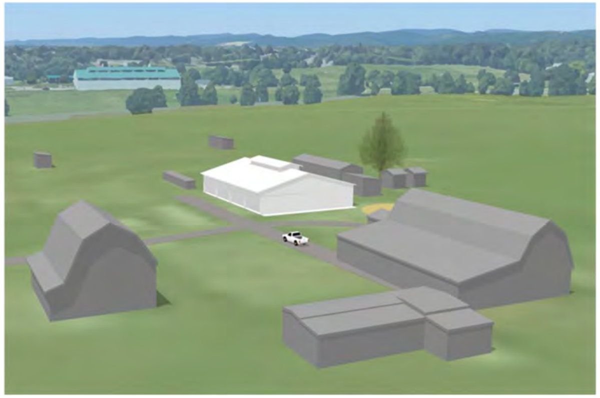
Design-Bid-Build – State Authorized

Status

- Bid package #5: Construction underway (55% complete)

Next Actions

- Complete 3 barns in sequence



Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
						Summer	*Academic Yr 24-25*			*Summer*	*Academic Yr 25-26*			*Summer*	*Academic Yr 26-27*			*Summer*	
Livestock & Poultry Research Facilities (Ph I) --Various Locations	$25.3	$18.23	129,100																

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: Spectrum Design

Builder: Various

BUILDING ENVELOPE IMPROVEMENTS

Design-Bid-Build – State Authorized

Status

- Envelope improvements planned for four buildings
- Lane Stadium complete
- Torgersen Hall construction underway

Next Actions

- Second building targeted for completion winter 2026

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer		Academic Yr 24-25		Summer		Academic Yr 25-26		Summer		Academic Yr 26-27		Summer		
Building Envelope Improvements	$47.2	$41.90																	

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: WJE

Builder: Various

MITCHELL HALL

CM at Risk – State Authorized

Status

- GMP-1 (demolition & early site package) underway
- GMP-2 (building construction) in development

Next Actions

- Finalize GMP-2 and issue permits for construction

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
						Summer	*Academic Yr 24-25*			*Summer*	*Academic Yr 25-26*			*Summer*	*Academic Yr 26-27*			*Summer*	
Mitchell Hall	$292.3	$229.30	296,105																Completion JUN 2028

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: Perkins & Will

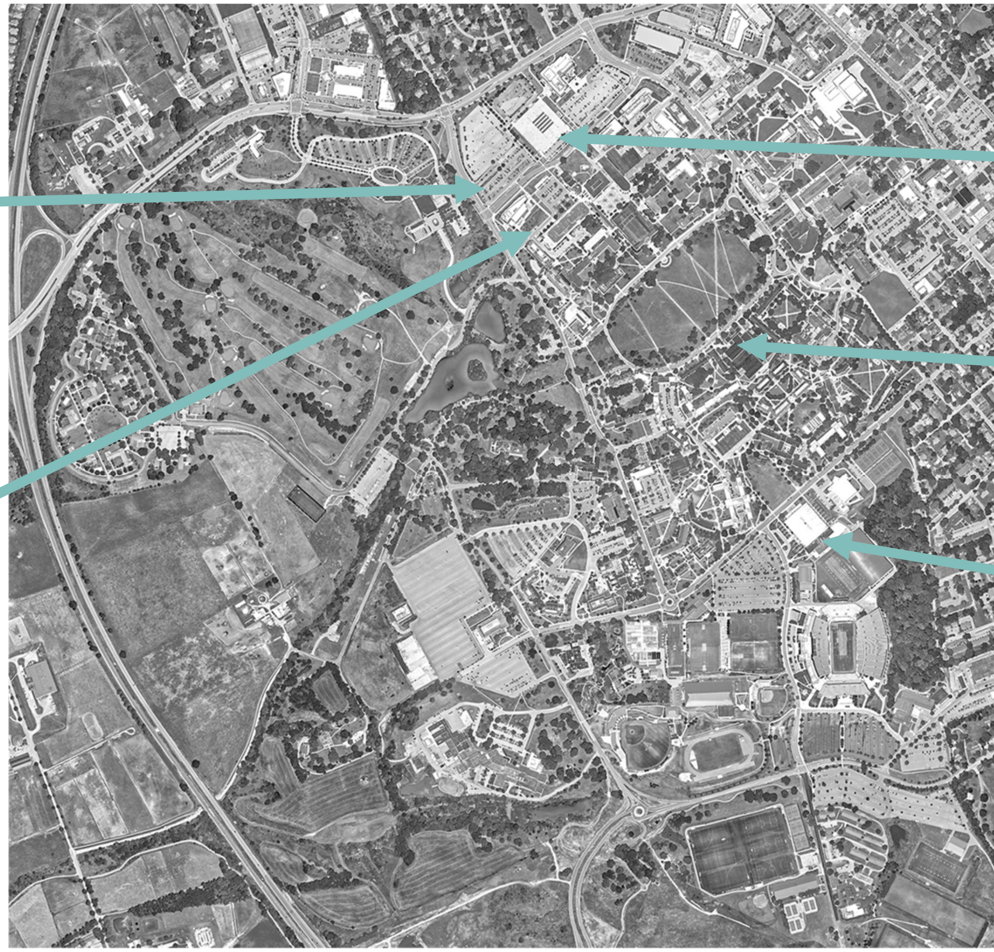
Builder: Skanska

PROJECTS UNDER WARRANTY

PROJECTS UNDER WARRANTY

Undergraduate Science Laboratory Building

HITT Hall



Transit Center
(ToB project)

Student Wellness Improvements

Football Locker Room Renovation

Innovation Campus Academic Building
(Alexandria, VA)

HITT HALL

CM at Risk – BOV Authorized

COMPLETE

Status

- Project complete

Next Actions

- Close out project

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer		Academic Yr 24-25		Summer		Academic Yr 25-26		Summer		Academic Yr 26-27		Summer		
HITT Hall	$85.0	$65.50	101,000																

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: Cooper Cary

Builder: WM Jordan

STUDENT WELLNESS IMPROVEMENTS

CM at Risk – BOV Authorized

COMPLETE

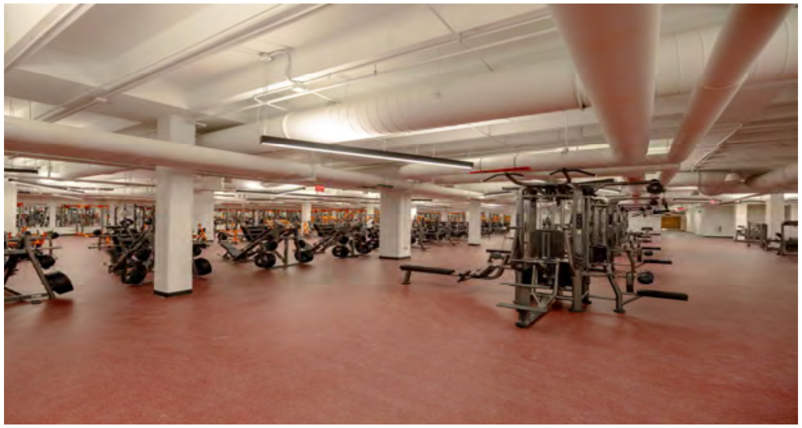
VIRGINIA TECH

Status

- Project complete

Next Actions

- Close out project



Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer		Academic Yr 24-25		Summer		Academic Yr 25-26		Summer		Academic Yr 26-27		Summer		
Student Wellness Improvements	$70.0	$56.30		204,000															

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: Cannon Design

Builder: Whiting-Turner

FOOTBALL LOCKER ROOM RENOVATION

Design-Bid-Build – BOV Authorized

COMPLETE

Status

- Project complete

Next Actions

- Close out project

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer		Academic Yr 24-25		Summer		Academic Yr 25-26		Summer		Academic Yr 26-27		Summer		
Football Locker Room Renovations	$5.9	$4.10		4,200															

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: HNTB

Builder: Thor

UNDERGRADUATE SCIENCE LABORATORY BUILDING

CM at Risk – State Authorized

COMPLETE

Status

- Project complete

Next Actions

- Close out project

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
						Summer	*Academic Yr 24-25*		*Summer*	*Academic Yr 25-26*			*Summer*	*Academic Yr 26-27*			*Summer*		
Undergraduate Science Laboratory Building	$90.4	$69.50	102,746																

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: ZGF

Builder: Skanska

INNOVATION CAMPUS – ACADEMIC BUILDING

CM at Risk – State Authorized

COMPLETE

Status

- Project complete

Next Actions

- Close out project

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer		*Academic Yr 24-25*		*Summer*		*Academic Yr 25-26*		*Summer*		*Academic Yr 26-27*		*Summer*		
Innovation Campus Academic Building	$302.1	$226.30	299,733																

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: SmithGroup

Builder: Whiting-Turner

TRANSIT CENTER

Design-Bid-Build – Town of Blacksburg (ToB)

COMPLETE

Status

- Project complete

Next Actions

- Close out project

Project Title	Total Project Budget ($M)	Construction Cost ($M)	New Const (GSF)	Renovation (GSF)	CY 2024			CY 2025				CY 2026				CY 2027			
					Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec	Q3 Jan - Mar	Q4 Apr - Jun	Q1 Jul - Sep	Q2 Oct - Dec
					Summer	Academic Yr 24-25			Summer	Academic Yr 25-26			Summer	Academic Yr 26-27			Summer		
Transit Center	N/A	N/A	13,606																

LEGEND	Design	Construction	Warranty	Construction Phase TBD

Designer: Wendel (ToB Contract)

Builder: WM Schlosser (ToB Contract)

DEFINITIONS

AUTHORIZATION:

- **State Authorized:** Authorized and funded (whole or in part) by the Virginia General Assembly
- **BOV Authorized:** Authorized and funded by the Virginia Tech Board of Visitors

DELIVERY METHODS:

- **Schematic Design Phase =** 0% to approximately 20% design complete
- **Preliminary Design Phase =** Approximately 20% to approximately 50% design complete
- **Working Drawing Phase =** Approximately 50% to 100% design complete

- **GMP =** Guaranteed Maximum Price

CONSTRUCTION METHODS

DESIGN-BID-BUILD (DBB):

- ► A/E completes full design
- ► Invitation For Bid (IFB) issued
- ► Contract awarded to lowest bidder

CONSTRUCTION MANAGER AT RISK (CMaR):

- ► A/E completes full design
- ► Prospective CMaR’s compete for project during early stage of design
- ► CMaR selected based upon “best value” during Schematic Design phase
- ► When final designs are complete CMaR develops Guaranteed Maximum Price (GMP)

DESIGN-BUILD(D/B):

- ► A/E completes partial design (“criteria docs”)
- ► D/B team (builder + A/E) compete for project and propose full price for project delivery
- ► Selection based upon “best value”
- ► D/B team completes design and executes construction.

Design Review – New Business Building

BUILDINGS AND GROUNDS COMMITTEE

Tuesday, March 25, 2025

The Committee will review for approval the design review for the New Business Building. The Pamplin College of Business is nationally recognized for its business programs and is integral to Virginia Tech's delivery of instruction and research programming in support of the commonwealth. The New Business Building project will provide a consolidated location for the college, allowing the college to amplify program impact, as well as couple with the Data and Decision Sciences building to complete the academic facilities of the Global Business and Analytics Complex (GBAC). Once complete, GBAC will be a transformative academic and physical addition to the North Academic District. The prominent site, on the corner of Prices Fork Road and West Campus Drive, presents the university a valuable opportunity to create a new campus gateway at this previously undeveloped primary intersection. Substantial completion is anticipated for Summer 2027. The project planning authorization, approved at the April 4, 2022 Board of Visitors meeting, includes $8 million of private gifts. The total project cost will be supported by a combination of private gifts, non-general fund cash, and university non-general fund debt. The design preview was approved by the Buildings and Grounds Committee at the June 2024 meeting.

DESIGN REVIEW FOR NEW BUSINESS BUILDING

The Pamplin College of Business (PCOB) is nationally recognized for its business programs and is integral to Virginia Tech's delivery of instruction and research programming in support of the Commonwealth. The New Business Building project will provide a consolidated location for the college, allowing the college to amplify program impact, as well as couple with the Data and Decision Sciences building to complete the academic facilities of the Global Business and Analytics Complex (GBAC). Once complete, GBAC will be a transformative academic and physical addition to the North Academic District. The prominent site, on the corner of Prices Fork Road and West Campus Drive, presents the university with a valuable opportunity to create a new campus gateway at this previously undeveloped primary intersection.

The project is currently in the Working Drawing Phase and construction is expected to start Fall 2025 with construction Substantial Completion anticipated Summer 2027.

Capital Project Information Summary – New Business Building

BUILDINGS AND GROUNDS COMMITTEE

March 25, 2025

Title of Project:

New Business Building

Location:

Situated prominently at the intersection of Prices Fork and West Campus Drive, the project affords the opportunity to create a new campus gateway at the North Academic District. The project will connect with the existing Data & Decision Sciences (D&DS) multi-story commons wing. At the project site, significant elevation and landscape transitions between Prices Fork at the north and the public realm throughout the North Academic District will be addressed through the addition of fully accessible pathways embracing Universal Design.

Current Project Status and Schedule:

The project is currently in the Working Drawing Phase and construction is anticipated to begin Fall of 2025 with Substantial Completion Summer 2027.

Project Description:

The New Business Building will provide a consolidated location for the Pamplin College of Business (PCOB), allowing PCOB to amplify program impact, as well as couple with the recently completed D&DS to complete the academic facilities of the Global Business and Analytics Complex (GBAC). Envisioned as a four-story structure at approximately 92,300 gross square feet, with mechanical penthouse, the facility connects directly with the D&DS multi-story commons wing. The new facility will provide expanded modern educational space sufficient to meet demand for the university's business programs at the Blacksburg campus.

Brief Program Description:

The program represents the consolidation of all Pamplin departments from existing Pamplin Hall, Wallace Hall, and other campus locations. Administrative, academic, collaborative, as well as support spaces will be provided for PCOB. The new building will include the Dean's suite and boardroom, shared conferencing, student organization and collaborative spaces, a small café, and building support spaces. Showcase spaces include the Marriott HOKIE Hospitality Lab, APEX Center for

Entrepreneurs, Center for Business Intelligence and Analytics, and Center for International Programs.

Already completed and occupied, the D&DS building will provide shared classrooms, which were developed to support business curriculum instructional needs, as well as direct access to the Deloitte/Taillon Analytics and Trading Lab and team rooms, the Ernst & Young Visualization classroom hub and team rooms, and the Behavioral Lab. Together both facilities will leverage synergistic opportunities across disciplines including data analytics and integrated security.

Contextual Issues and Design Intent:

Situated prominently on the corner of Prices Fork Road and West Campus Drive, this previously undeveloped primary campus intersection grants the institution a rare opportunity; the New Business Building coupled with the D&DS building provides the framework for an architectural gateway at this campus node. The envisioned building will be clad in a combination of Hokie Stone, precast concrete panels and trim, and a combination of glazed curtain wall and punched window openings. The GBAC academic complex is envisioned to be a notable contribution to the campus' Collegiate Gothic architecture in alignment with the *Campus Design Principles*, which D&DS already contributes greatly toward.

Funding:

The total project budget is $93.8 million, $71 million of which is for construction, and will be supported by a combination of non-general fund cash and university non-general fund debt, which includes $8 million in private gifts.

Architect/Engineer:

Moseley Architects (Architect of Record) with RAMSA (Design Architect)

Construction Manager at Risk:

Kjellstrom & Lee

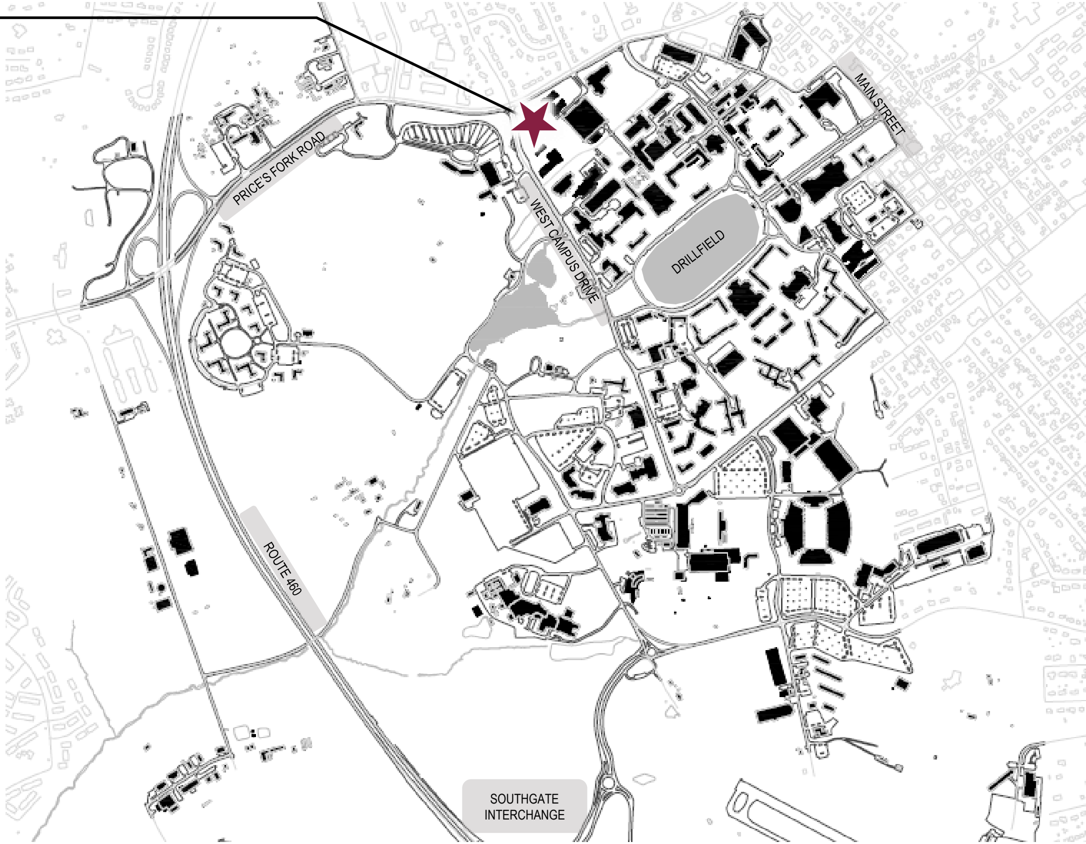
DESIGN REVIEW
for **NEW BUSINESS BUILDING**

TRAVIS JESSEE
ASSISTANT VICE PRESIDENT
DESIGN AND CONSTRUCTION

March 25, 2025

PROJECT LOCATION

SITE

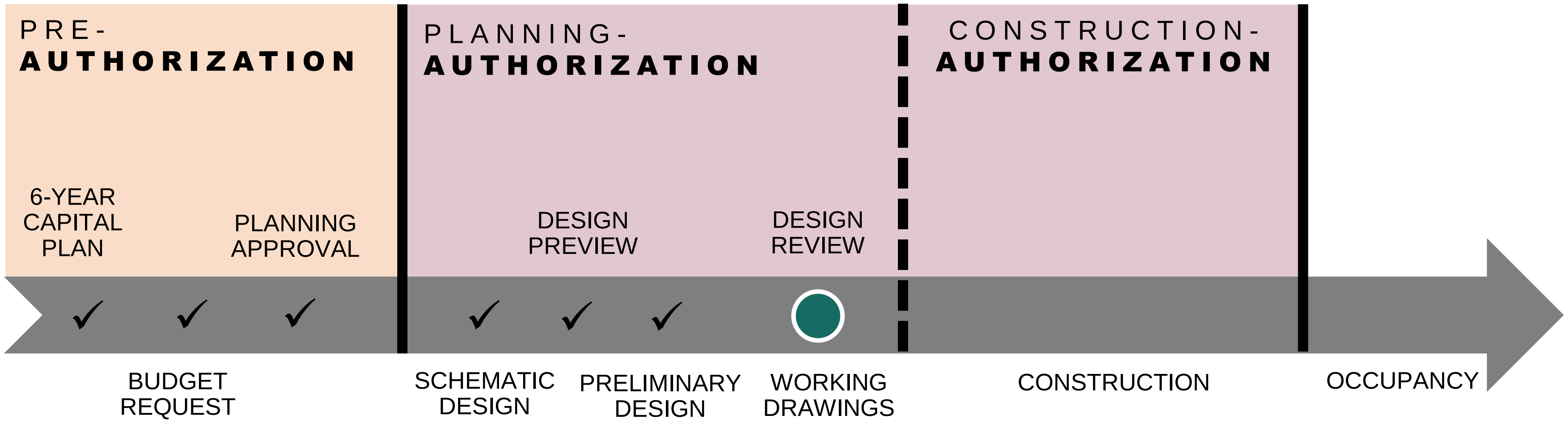


Virginia Tech
Blacksburg, VA

PROJECT INFORMATION

SCOPE	APPROX. 92,300 GSF
DELIVERY METHOD	CONSTRUCTION MANAGER AT RISK
TOTAL PROJECT BUDGET	$93.8 MILLION
DESIGN PHASE	WORKING DRAWINGS
ESTIMATED CONSTRUCTION START	FALL 2025
ESTIMATED CONSTRUCTION COMPLETION	SUMMER 2027

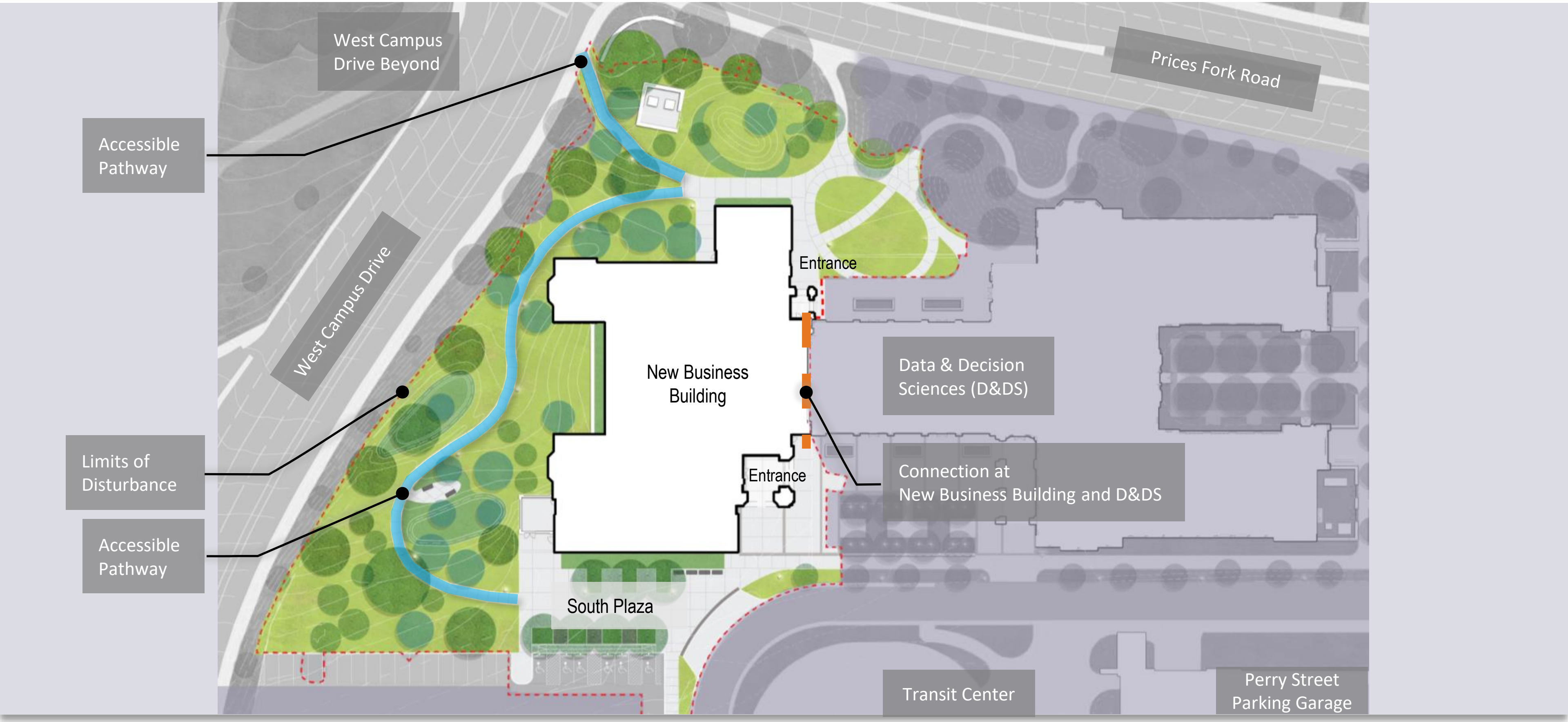
PROJECT MILESTONES



EXISTING CONDITIONS

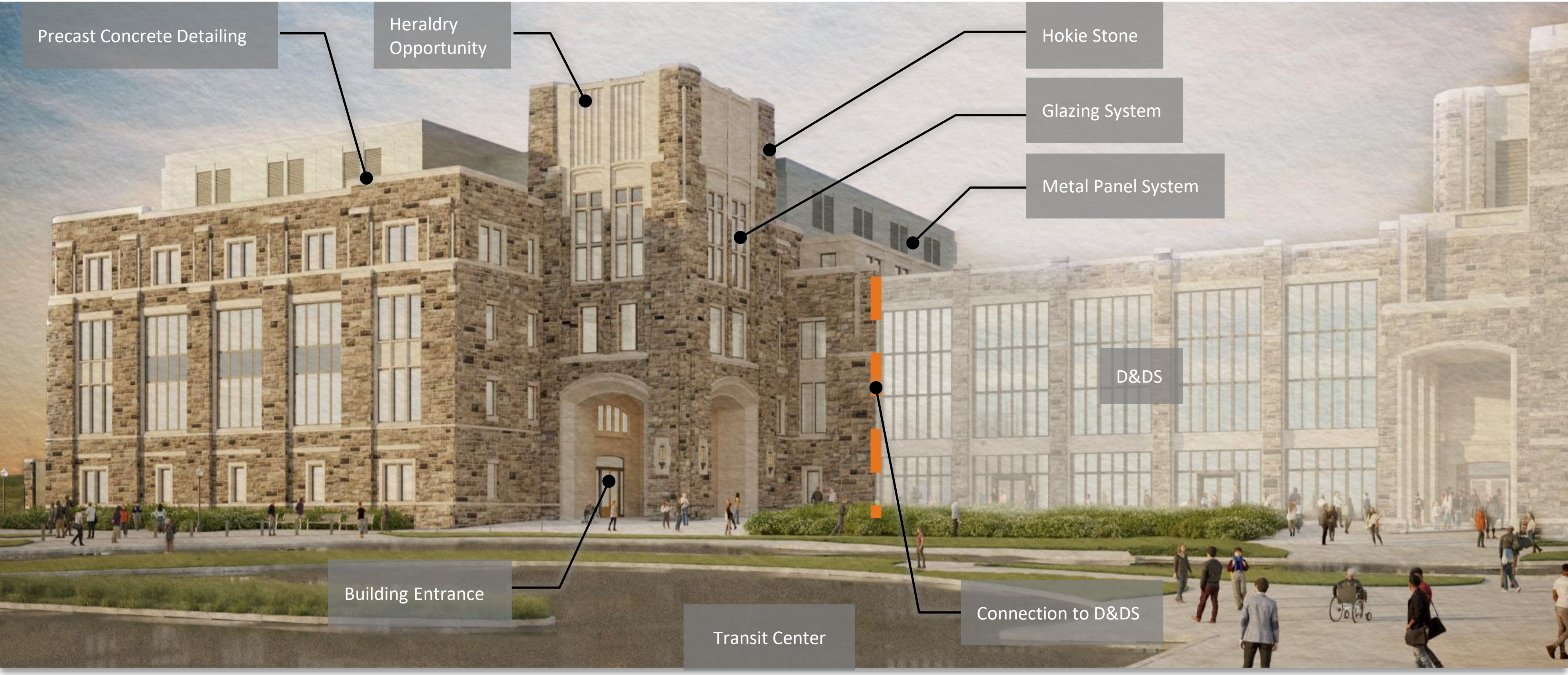
VIEW NORTH

SITE PLAN


West Campus
Drive Beyond
Prices Fork Road
Accessible
Pathway
West Campus Drive
Entrance
New Business
Building
Data & Decision
Sciences (D&DS)
Limits of
Disturbance
Entrance
Connection at
New Business Building and D&DS
Accessible
Pathway
South Plaza
Transit Center
Perry Street
Parking Garage
N

EXTERIOR RENDERING

VIEW A - NORTHWEST

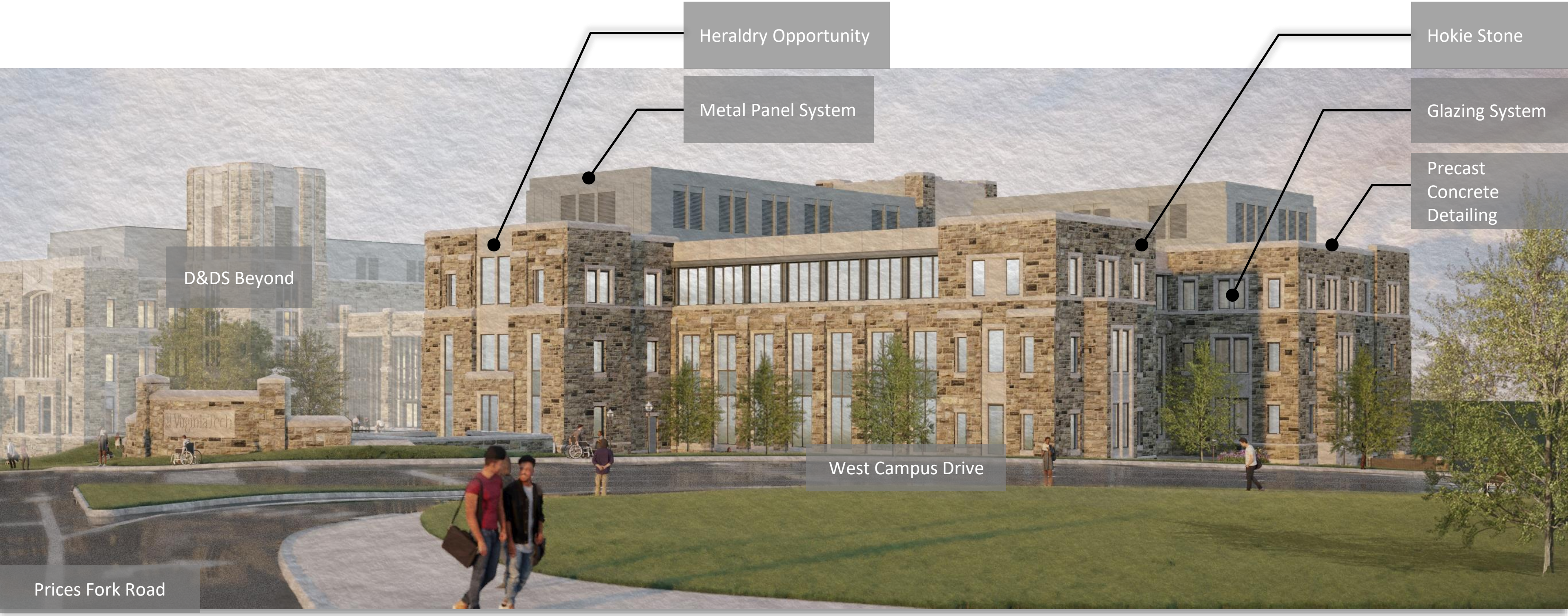


EXTERIOR RENDERING

VIEW B - NORTHEAST

EXTERIOR RENDERING

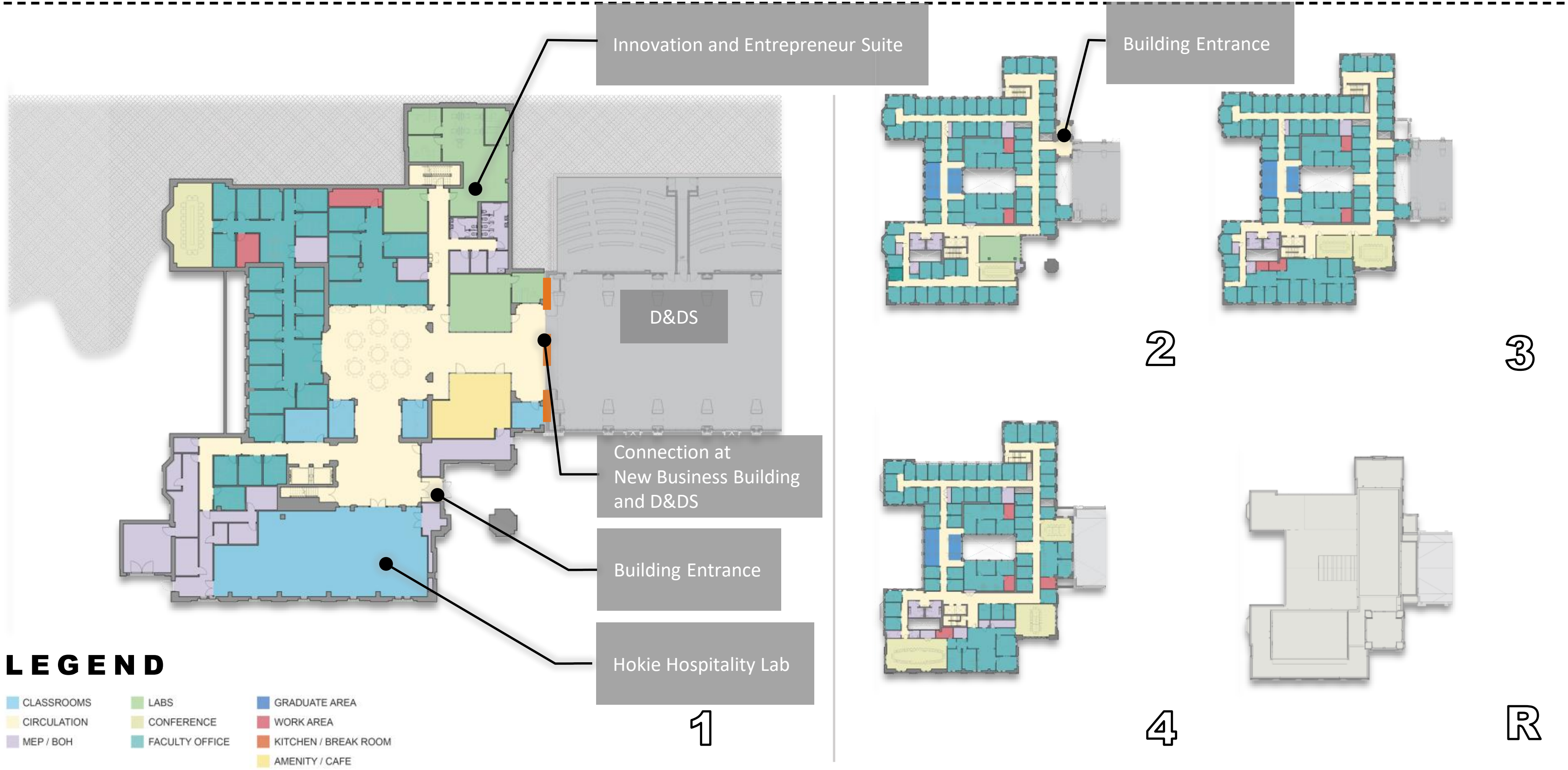
VIEW C - SOUTHEAST



EXTERIOR RENDERING

VIEW D - SOUTHWEST

FLOOR PLANS



Innovation and Entrepreneur Suite
Building Entrance
D&DS
Connection at New Business Building and D&DS
Building Entrance
Hokie Hospitality Lab
1
2
3
4
R
LEGEND
CLASSROOMS
CIRCULATION
MEP / BOH
LABS
CONFERENCE
FACULTY OFFICE
GRADUATE AREA
WORK AREA
KITCHEN / BREAK ROOM
AMENITY / CAFE

RECOMMENDATION

That the Design Review graphics be approved, and authorization be provided to continue with the project design consistent with the drawings shown.

Open Session Agenda

COMPLIANCE, AUDIT, AND RISK COMMITTEE

The Inn at Virginia Tech, Latham C
March 25, 2025
11:00 a.m.

	Agenda Item	**Reporting Responsibility**
1.	Welcome and Acceptance of Agenda	Anna James
2.	Consent Agenda	Anna James
	a. Minutes from the November 18-19, 2024 Meeting	
	b. Update of Responses to Open Internal Audit Comments	
	c. Audit Plan Status Report	
	d. Internal Audit Reports	
	i. Agricultural Research and Extension Centers	
	ii. Electrical and Computer Engineering	
	iii. Undergraduate Admissions	
	e. Auditor of Public Accounts Financial Statement Audit	
	f. Auditor of Public Accounts Intercollegiate Athletics Program Report	
3.	Discussion on Updated Auditing Standards	Justin Noble
4.	Internal Audit Reports	Justin Noble
	a. Programs for Minors	
	b. Student Immigration Processes	
5.	Update from the Executive VP and Chief Operating Officer	Amy Sebring
6.	Discussion of Future Topics	Anna James

Open Session Briefing Report

COMPLIANCE, AUDIT, AND RISK COMMITTEE

March 25, 2025

Compliance, Audit, and Risk Open Session

1. **Welcome and Acceptance of Agenda:** The chair of the Compliance, Audit, and Risk Committee will provide opening remarks and ask for acceptance of the Open Session agenda.

2. **Consent Agenda:** The Committee will consider for approval and acceptance the items listed on the Consent Agenda.

    a. **Minutes from the November 18-19, 2024 Meeting:** The Committee will review and approve the minutes of the November 18-19, 2024 meeting.

    b. **Update of Responses to Open Internal Audit Comments:** The Committee will review the university's update of responses to all previously issued internal audit reports. As of September 30, 2024, the university had seven open recommendations. Six audit comments were issued during the second quarter of the fiscal year. As of December 31, 2024, the university had 13 open recommendations in progress.

    c. **Audit Plan Status Report:** The Committee will review the Audit Plan Status Report. The Office of Audit, Risk, and Compliance (OARC) has completed 39 percent of its audit plan, and 79 percent is underway, in accordance with the fiscal year 2024-25 annual audit plan.

    d. **Internal Audit Reports:** The following internal audit reports were issued by OARC since the November 19, 2024 meeting. Where applicable, management developed action plans to effectively address the issues in the report with a reasonable implementation timeframe. As noted above, OARC conducts follow-up on management's implementation of agreed upon improvements for previously issued audit recommendations.

        i. Agricultural Research and Extension Centers: The audit received a rating of improvements are recommended. Low priority recommendations of a less significant nature were noted regarding fiscal responsibility, wage payroll, leave reporting, I-9 verification, purchasing card expenditures, and funds handling.

ii. Electrical and Computer Engineering: The audit received a rating of improvements are recommended. Observations were noted regarding laboratory access, laboratory safety training, and timely service center billing. A low priority recommendation of a less significant nature was noted regarding cleanroom inventory.

iii. Undergraduate Admissions: The audit received an effective rating.

e. **Auditor of Public Accounts Financial Statement Audit:** The Committee will receive a report on the Auditor of Public Accounts (APA) audit of the university's financial statements for the fiscal year ended June 30, 2024. During the audit, the APA found the financial statements were presented fairly in all material respects, and there were no internal control findings requiring management's attention.

f. **Auditor of Public Accounts Intercollegiate Athletics Program Report:** The Committee will receive a report on the Auditor of Public Accounts (APA) Intercollegiate Athletics review for fiscal year 2024. The APA performed certain agreed upon procedures to evaluate whether the Schedule of Revenues and Expenses of the Intercollegiate Athletics Programs for fiscal year ending June 30, 2024 is in compliance with the National Collegiate Athletic Association (NCAA) bylaws. The review did not constitute an audit and therefore no opinion was issued.

3. **Discussion on Updated Audit Standards:** The Committee will receive a presentation on the new professional audit standards, including board governance responsibilities.

4. **Internal Audit Reports:** The following internal audit reports were issued by OARC since the November 19, 2024 meeting. Where applicable, management developed action plans to effectively address the issues in the report with a reasonable implementation timeframe. As noted above, OARC conducts follow-up on management's implementation of agreed upon improvements for previously issued audit recommendations.

   a. Programs for Minors: The audit received a rating of improvements are recommended. An observation was noted regarding participant information and First Aid/CPR certification. An observation with university-wide impact was noted related to program governance. Two low priority recommendations of a less significant nature were noted regarding program registration and completion of background checks and youth protection training.

b. Student Immigration Processes: The audit received a rating of improvements are recommended. Observations were noted regarding updates to the university's I-17 form and student employment compliance. Low priority recommendations of a less significant nature were noted regarding CPT enrollment requirements and user access management to Terra Dotta.

5. **Update from the Executive VP and Chief Operating Officer:** The Committee will receive an update from EVPCOO Amy Sebring.

6. **Discussion of Future Topics:** The Committee will discuss topics to be covered in future committee meetings.

Minutes

COMPLIANCE, AUDIT, AND RISK COMMITTEE
The Inn at Virginia Tech, Latham A/B
November 18-19, 2024

<u>Closed Session</u>
November 18, 4:30 pm

Committee Members Present: Anna James (chair), Dave Calhoun, Starlette Johnson, Ryan McCarthy, Jim Miller, John Rocovich

Other Board Members Present: Ed Baine (Rector), Nancy Dye, Bill Holtzman, Don Horsley, J. Pearson, Jeanne Stosser

Virginia Tech Personnel: Simon Allen, Cyril Clarke, Corey Earles, Suzanne Griffin, Rebecca Halsey, Kay Heidbreder, Sharon Kurek, Randy Marchany, Kim O'Rourke, Sharon Pitt, David Raymond, Paul Richter, Timothy Sands, Amy Sebring, Brennan Shepard

1. **Motion to Begin Closed Session:** Committee member John Rocovich moved to begin closed session at 4:45 pm.

2. **Update on Fraud, Waste, and Abuse Cases:** The Committee received an update on outstanding fraud, waste, and abuse cases.

3. **Personnel and Legal Compliance Risk Discussion:** The Chief Compliance Officer and University Legal Counsel discussed a personnel and legal compliance risk with the Committee.

4. **Office of State Inspector General (OSIG) Higher Education Institutions Cybersecurity Audit Report:** The Chief Audit Executive shared identified opportunities for the university to enhance its cybersecurity processes by considering the recommendations from the OSIG final report of Virginia Tech's cybersecurity operations.

5. **IT Security and Risk Update:** The Committee received a presentation from the Vice President for Information Technology and Chief Information Officer with an update on IT Security and related risks. The university secures its assets in accordance with the National Institute of Standards and Technology (NIST) Cyber

Security Framework, which is organized into six key areas: Govern, Identify, Protect, Detect, Respond, and Recover. Additionally, the full Information Security Annual Report was provided to the board.

6. **Discussion with the Vice President for Audit, Risk, and Compliance and Chief Risk Officer:** The Vice President discussed employee performance and evaluation of performance of departments or schools of public institutions of higher education where such evaluation involved discussion of the performance of specific individuals.

7. **Motion to End Closed Session:** Committee member Starlette Johnson moved to end closed session at 5:35 pm.

<u>Open Session</u>
November 19, 10:00 am

Committee Members Present: Anna James (chair), Dave Calhoun, Starlette Johnson, Ryan McCarthy, Jim Miller, John Rocovich

Other Board Members Present: Ed Baine (Rector), Janice Austin (A/P faculty representative), LaTawnya Burleson (staff representative)

Virginia Tech Personnel: Simon Allen, Harrison Blythe, Caroline Buscaglia, Corey Earles, Juan Espinoza, Ron Fricker, Martha Glass, Ellington Graves, Suzanne Griffin, Chelsea Haines, Rebecca Halsey, Ryan Hamilton, Kay Heidbreder, Anne Keeler, Sharon Kurek, Mike Mulhare, Justin Noble, Kelly Oaks, Kim O'Rourke, Dale Pike, Sharon Pitt, Menah Pratt, David Raymond, Paul Richter, Timothy Sands, Amy Sebring, Michael Stowe, Dan Sui, Aimee Surprenant, John Talerico, Rob Viers, Melinda West

Guests: Andrew Jessup, Jimmy Quesenberry, Megan Richard

1. **Welcome and Acceptance of the Agenda:** The chair of the Compliance, Audit, and Risk Committee called the meeting to order at 10:14 am, provided opening remarks, and asked for acceptance of the open session agenda.

2. **Consent Agenda:** The Committee considered for approval and acceptance the items listed on the Consent Agenda.

    a. **Minutes from the August 28, 2024 Meeting:** The Committee reviewed and approved the minutes of the August 28, 2024 meeting.

b. **Update of Responses to Open Internal Audit Comments:** The Committee reviewed the university's update of responses to all previously issued internal audit reports. As of June 30, 2024, the university had three open recommendations. Seven audit comments were issued during the first quarter of the fiscal year. As of September 30, 2024, the university had addressed three comments, leaving seven open recommendations in progress.

c. **Audit Plan Status Report:** The Committee reviewed the Audit Plan Status Report. The Office of Audit, Risk, and Compliance (OARC) has completed 14 percent of its audit plan, and 44 percent is underway, in accordance with the fiscal year 2024-25 annual audit plan.

d. **Internal Audit Reports:** The following internal audit reports were issued by OARC since the August 28, 2024 meeting. Where applicable, management developed action plans to effectively address the issues in the report with a reasonable implementation timeframe. As noted above, OARC conducts follow-up on management's implementation of agreed upon improvements for previously issued audit recommendations.

   i. Aerospace and Ocean Engineering: The audit received a rating of improvements are recommended. Observations were noted related to labor cost transfers and laboratory access. Low-priority recommendations of a less significant nature were noted related to non-labor expenses and laboratory safety training.

   ii. Real Estate Management: The audit received a rating of improvements are recommended. An observation was noted related to lease payments that did not undergo the required approval process.

   iii. Sponsored Programs: Pre-Award: The audit received a rating of improvements are recommended. An observation was noted related to the principal investigators (PIs) status verification.

   iv. University Building Official: The audit received an effective rating.

   v. College of Agriculture and Life Sciences Policy Compliance Review: The audit received a rating of improvements are recommended. Observations were noted related to the areas of fiscal responsibility, wage payroll, P-14 appointments, I-9 verifications, expenditures, fixed asset management, funds handling, and information technology.

vi. Annual Update on Construction Audit Program: Contract compliance-focused engagements are conducted on Construction Manager-at-Risk projects in three phases (pre-construction, construction in progress, contract close out). The overarching goal of these outsourced reviews is to ensure billings and payments are in accordance with contract documents, eliminate duplicate costs, assess the appropriateness of change orders, and identify opportunities for cost avoidance. Since the November 2023 Compliance, Audit, and Risk Committee report, the following engagements have been completed: a pre-construction review of Mitchell Hall; midpoint reviews with construction in progress of the Student Wellness Improvements and Undergraduate Science Laboratory Building projects; and contract close outs of Corps Leadership and Military Sciences, Data and Decision Sciences, and New Upper Quad Residence Hall projects.

e. **Review and Approval of Charters:** The Office of Audit, Risk, and Compliance (OARC) presented the Compliance, Audit, and Risk Committee Charter and the Charter for the Office of Audit, Risk, and Compliance for review and approval in accordance with professional standards. After conducting a review, OARC recommended modifications to the charters that reflect the office's new mission statement and strategic goals and achieve alignment with the new professional standards that go into effect in January 2025.

f. **Notice Pursuant to General Assembly's Animal Research Legislation:** This report notified the Committee of the university's recent results from the U.S. Department of Agriculture Animal and Plant Health Inspection Service inspection, which included a citation for critical noncompliance under the Animal Welfare Act in accordance with the recently amended Code of Virginia Article 13 of Chapter 65 of Title 3.2 § 3.2-6593.2. Furthermore, the university made the report publicly available along with any other relevant documents by displaying a link to access such information on the landing page of the animal testing facility's website, within 30 days of receiving the inspection report.

g. **External Reviews and Special Reports:** The Committee reviewed a report on external reviews and special reports that have occurred at the university.

3. **Auditor of Public Accounts Financial Statement Audit and Management Letter:** The Committee received a report from Ms. Megan Richard, Audit Director for the Auditor of Public Accounts, on the results of the university's financial statement audit and management letter for the fiscal year ended June 30, 2024, which resulted in an unmodified or "clean" opinion. Furthermore, the audit identified one significant deficiency during fiscal year 2024 related to student financial aid.

4. **Progress on Compliance Plan for Fiscal Year 2024-25:** The Chief Compliance Officer presented an update to the Committee on institutional compliance. The discussion included the updated guidance for the evaluation of compliance programs from the U.S. Department of Justice. The noted aspects of the university's institutional compliance program that help ensure significant compliance risks are identified, addressed, and managed effectively have been categorized by activities that prevent, detect, and correct noncompliance.

5. **Enterprise Risk Discussion: Civil Rights Compliance:** The Committee received a presentation from Dr. Kelly Oaks, Associate Vice President for Equity and Accessibility, on civil rights compliance including the Office of Equity and Accessibility's (OEA) scope and complexities of the work, the changing landscape and challenging timelines to implement changes, the operational realities of serving our community, and what is on the horizon. Additionally, the fiscal year 2022-23 annual reports on OEA and Title IX were provided to the board.

6. **Discussion of Future Topics:** The Committee discussed topics to be covered in future committee meetings. The meeting adjourned at 10:53 am.

Update of Responses to Open Internal Audit Comments

COMPLIANCE, AUDIT, AND RISK COMMITTEE

December 31, 2024

As part of the internal audit process, university management participates in the opening and closing conferences and receives copies of all final audit reports. The audited units are responsible for implementing action plans by the agreed upon implementation dates, and management is responsible for ongoing oversight and monitoring of progress to ensure solutions are implemented without unnecessary delays. Management supports units as necessary when assistance is needed to complete an action plan. As units progress toward completion of an action plan, the Office of Audit, Risk, and Compliance (OARC) performs a follow-up visit within two weeks after the target implementation date. OARC is responsible for conducting independent follow up testing to verify mitigation of the risks identified in the recommendation and formally close the recommendation. As part of management's oversight and monitoring responsibility, this report is provided to update the Compliance, Audit, and Risk Committee on the status of outstanding recommendations. Management reviews and assesses recommendations with university-wide implications and shares the recommendations with responsible administrative departments for process improvements, additions or clarification of university policy, and inclusion in training programs and campus communications. Management continues to emphasize the prompt completion of action plans.

The report includes outstanding recommendations from compliance reviews and audit reports. Consistent with the report presented at the November Board meeting, the report of open recommendations includes three attachments:

- Attachment A summarizes each audit in order of final report date with extended and on-schedule open recommendations.
- Attachment B details all open medium and high priority recommendations for each audit in order of the original target completion date, and with an explanation for those having revised target dates or revised priority levels.
- Attachment C charts performance in implementing recommendations on schedule over the last seven years. The 100 percent on-schedule rate for fiscal year 2025 reflects closing three of three recommendations by the original target date.

The report presented at the November 18, 2024 meeting covered audit reports reviewed and accepted through September 30, 2024 and included seven open medium and high priority recommendations. Activity for the quarter ending December 31, 2024 resulted in the following:

Open recommendations as of September 30, 2024	7
Add: medium and high priority recommendations accepted November 18, 2024	6
Subtract: recommendations addressed since September 30, 2024	0
Remaining open recommendations as of December 31, 2024	13

While this report is prepared as of the end of the quarter, management continues to receive updates from OARC regarding auditee progress on action plans. Through February 28, 2025, OARC has closed or reduced to a low priority six of the 13 remaining open medium and high priority recommendations. All other remaining open recommendations are progressing as expected and are on track to meet their respective target dates. Management continues to work conjointly with all units and provides assistance as needed to help with timely completion of action plans.

ATTACHMENT A

Open Recommendations by Priority Level

COMPLIANCE, AUDIT, AND RISK COMMITTEE

December 31, 2024

Report Date	Audit Name	Audit Number	Total Recommendations						
			ISSUED	COMPLETED	OPEN				
					Extended		On-schedule		Total
					High	Medium	High	Medium	Open
Mar 05, 2024	College of Veterinary Medicine	24-1715	4	3	-	-	-	1	1
Mar 25, 2024	IT Policy Compliance Review: Athletics	24-1706B	1	-	-	-	1	-	1
Jun 07, 2024	Vice President for Student Affairs	24-1716	3	2	-	-	-	1	1
Jul 29, 2024	College of Architecture, Arts, and Design	24-1714	2	-	-	-	-	2	2
Aug 05, 2024	Chemistry	24-1693	2	-	-	-	1	1	2
Oct 29, 2024	Aerospace and Ocean Engineering	24-1690	2	-	-	-	-	2	2
Oct 31, 2024	Real Estate Management	24-1707	1	-	-	-	-	1	1
Oct 31, 2024	Sponsored Programs - Pre Award	24-1709	1	-	-	-	-	1	1
Nov 01, 2024	College of Agriculture and Life Sciences	24-1713	2	-	-	-	-	2	2
Totals:			**18**	**5**	**-**	**-**	**2**	**11**	**13**

ATTACHMENT B

Open Audit Recommendations

COMPLIANCE, AUDIT, AND RISK COMMITTEE

December 31, 2024

Report Date	Item	Audit Number	Audit Name	Recommendation Name	Priority		Target Date		Follow Up Status	Status of Recommendations with Revised Priority / Target Dates
					Original	Revised	Original	Revised / Current		
Oct 31, 2024	1	24-1707	Real Estate Management	Unauthorized Leases	Medium		Jan 01, 2025		1	
Jun 07, 2024	2	24-1716	Vice President for Student Affairs	Information Technology	Medium		Jan 15, 2025		1	
Aug 05, 2024	3	24-1693	Chemistry	Laboratory Safety Culture	High		Jan 31, 2025		1	
Jul 29, 2024	4	24-1714	College of Architecture, Arts, and Design	P14 Appointments	Medium		Feb 01, 2025		1	
Jul 29, 2024	5	24-1714	College of Architecture, Arts, and Design	Wage Payroll	Medium		Feb 01, 2025		1	
Nov 01, 2024	6	24-1713	College of Agriculture and Life Sciences	Fiscal Responsibility	Medium		Feb 28, 2025		1	
Oct 29, 2024	7	24-1690	Aerospace and Ocean Engineering	Laboratory Access	Medium		Mar 01, 2025		1	
Nov 01, 2024	8	24-1713	College of Agriculture and Life Sciences	Funds Handling	Medium		Mar 31, 2025		1	
Mar 25, 2024	9	24-1706B	IT Policy Compliance Review: Athletics	Information Technology Controls	High		Apr 01, 2025		2	
Mar 05, 2024	10	24-1715	College of Veterinary Medicine	Fixed Asset Management	Medium		May 01, 2025		2	

ATTACHMENT B

Open Audit Recommendations

COMPLIANCE, AUDIT, AND RISK COMMITTEE

December 31, 2024

Report Date	Item	Audit Number	Audit Name	Recommendation Name	Priority		Target Date		Follow Up Status	Status of Recommendations with Revised Priority / Target Dates
					Original	Revised	Original	Revised / Current		
Oct 31, 2024	11	24-1709	Sponsored Programs - Pre Award	PI Status Verification	Medium		May 01, 2025		2	
Oct 29, 2024	12	24-1690	Aerospace and Ocean Engineering	Labor Cost Transfers	Medium		Jun 01, 2025		2	
Aug 05, 2024	13	24-1693	Chemistry	Key Control	Medium		Jul 30, 2025		2	

Follow Up Status

1 Management confirmed during follow up discussions with OARC that actions are occurring and the target date has been or will be met. OARC will conduct testing after the due date to confirm that the Management Action Plan is implemented in accordance with the recommendations.

2 Target date is beyond current calendar quarter. Management has follow-up discussions with the auditor to monitor progress, to assist with actions that may be needed to meet target dates, and to assess the feasibility of the target date.

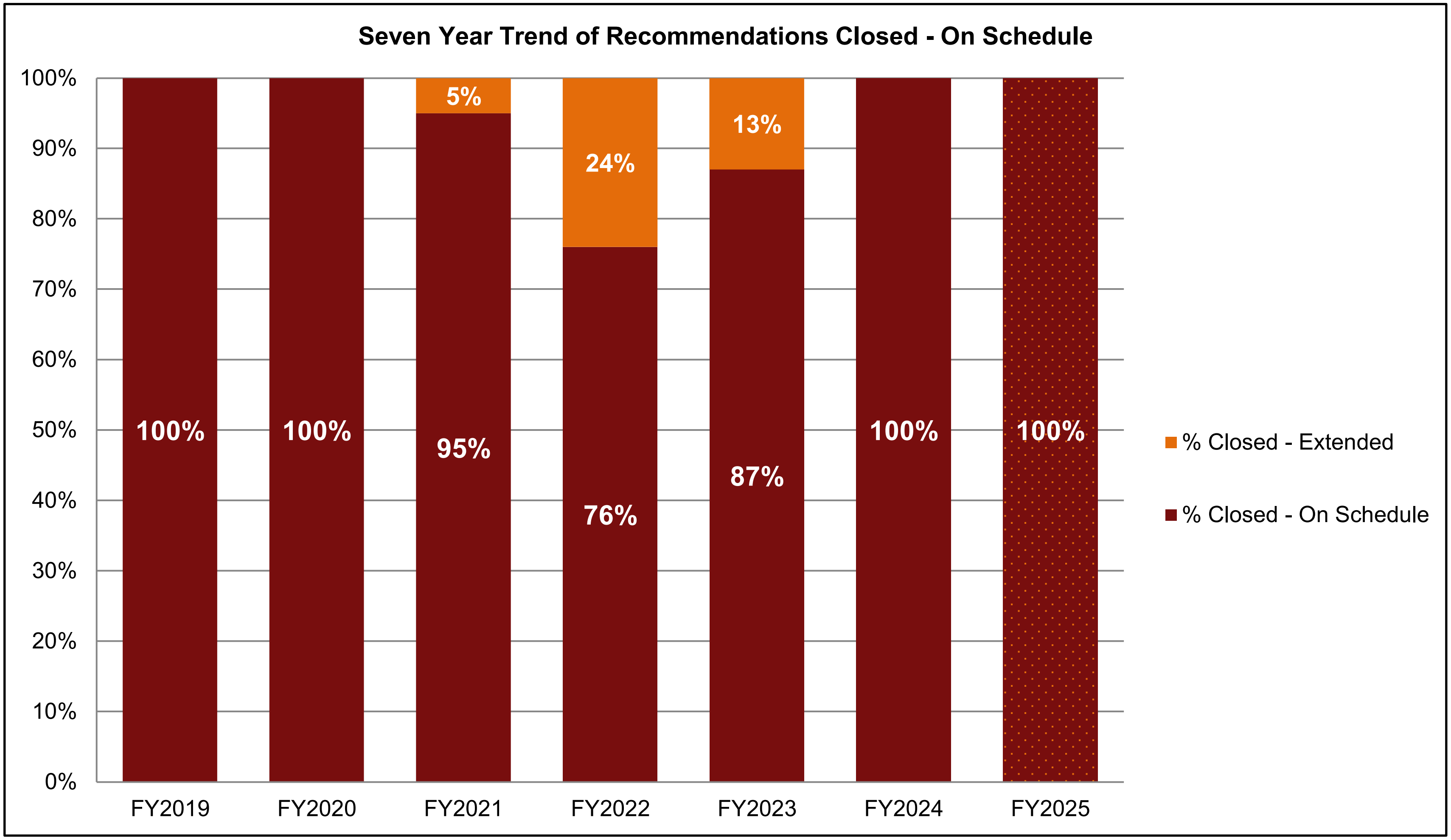
For Open Detail Report: “current calendar quarter” is used to refer to the current working quarter instead of the quarter being reported on.

ATTACHMENT C

Management Performance and Trends Regarding
Office of Audit, Risk, and Compliance Recommendations

COMPLIANCE, AUDIT, AND RISK COMMITTEE

December 31, 2024



Presentation Date: March 25, 2025

Audit Plan Status Report

COMPLIANCE, AUDIT, AND RISK COMMITTEE

March 25, 2025

Audit Plan Update

Audits were performed in accordance with the fiscal year 2024-25 annual audit plan at a level consistent with the resources of the Office of Audit, Risk, and Compliance (OARC). Since the November board meeting eight planned projects have been completed including four risk-based audits, two policy compliance reviews, and two advisory engagements. The first advisory project was a review of the Corps of Cadets Armory. The second advisory project was a review of final report submission processes within the Office of Sponsored Programs.

Thirteen projects are currently underway, including:

- Six risk-based projects: Athletics, Environmental Health & Safety, Human Resources: Benefits, IT: Security Operations Center, National Security Institute, and Recreational Sports.
- Three policy compliance reviews: College of Liberal Arts and Human Sciences, College of Natural Resources and Environment, and VP and Dean for Graduate Education.
- Four advisory projects: Athletics IT Security, Central Funds, Data Analytics Compliance Dashboard, and Research Accounting Processes - HERD.

Further, the following adjustments to the audit plan have been made:

- Six projects have been canceled.
    - Bursar's Office has been canceled to prioritize an added review, outlined below, regarding affiliated corporations.
    - Data Analytics: Subscription Services has been canceled to prioritize an added review, outlined below, within Environmental Health and Safety.
    - IT: Network Infrastructure and Services has been canceled after risk assessment discussions with the outsourced IT audit provider and Division of Information Technology management.
    - Research: Cost Sharing has been canceled based on available staffing resources.
    - Research: Post-Award Processes advisory will be canceled at management's request.
    - VT India has been canceled based on available staffing resources.
- Three projects have been added.
    - Affiliated Corporations: Virginia Tech Transportation, LLC, was added as a risk-based engagement.

- Data Analytics: Safety Management System was added to conduct a university-wide review of safety training data in the primary tracking system.
- Sponsored Programs: Final Report Submission was added as an advisory project based on identified concerns on several risk-based engagements.

In fiscal year 2024-25, OARC has completed 39 percent of its audit plan as depicted below.

FY 2024-25 Completion of Audit Plan

Audits	
Total # of **Audits** Planned	30
Total # of Supplemental **Audits**	3
Total # of Carry Forwards	6
Total # of Planned **Audits** Canceled or Deferred	6
Total **Audits** in Plan as Amended	33
Total **Audits** Completed	13
Audits - Percentage Complete	39%
Audits - Percentage Complete or Underway	79%
Note: Includes Policy Compliance Reviews and Advisory Services	

Internal Audit Reports

COMPLIANCE, AUDIT, AND RISK COMMITTEE

March 25, 2025

Background

This report provides a summary of the following reviews and their ratings, as well as the full rating system definitions. The Office of Audit, Risk, and Compliance has made a concerted effort to ensure progress on the annual audit plan.

Consent Agenda Reports	**Rating**
Agricultural Research and Extension Centers	Improvements are Recommended
Electrical and Computer Engineering	Improvements are Recommended
Undergraduate Admissions	Effective
Reports for Discussion	**Rating**
Programs for Minors	Improvements are Recommended
Student Immigration Processes	Improvements are Recommended

Summary of Audit Ratings

The Office of Audit, Risk, and Compliance's rating system has four tiers from which to assess the controls designed by management to reduce exposures to risk in the area being audited. The auditor can use professional judgment in constructing the exact wording of the assessment in order to capture varying degrees of deficiency or significance.

<u>Definitions of each assessment option</u>

Effective – The audit identified opportunities for improvement in the internal control structure, but business risks are adequately controlled in most cases.

Improvements are Recommended – The audit identified occasional or isolated business risks that were not adequately or consistently controlled.

Significant or Immediate Improvements are Needed – The audit identified several control weaknesses that have caused, or are likely to cause, material errors, omissions, or irregularities to go undetected. The weaknesses are of such magnitude that senior management should undertake immediate corrective actions to mitigate the associated business risk and possible damages to the organization.

Unreliable – The audit identified numerous significant business risks for which management has not designed or consistently applied controls prior to the audit. Persistent and pervasive control weaknesses have caused or could cause significant errors, omissions, or irregularities to go undetected. The weaknesses are of such magnitude that senior management must undertake immediate corrective actions to bring the situation under control and avoid (additional) damages to the organization.

RECOMMENDATION:

That the internal audit reports listed above be accepted by the Compliance, Audit, and Risk Committee.

March 25, 2025

Virginia Polytechnic Institute and State University

ANNUAL FINANCIAL REPORT

2023-2024

Contents

Cover photo by Christina Franusich/Virginia Tech

2024 Snapshot

Student Enrollment

30,504 Undergraduate

7,790 Graduate

Faculty and Staff

5,769 Faculty

3,386 Staff

Degrees Conferred

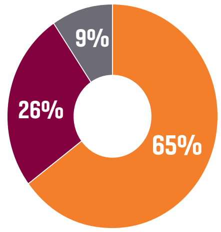
7,271 Undergraduate (first majors)

2,571 Graduate (and first professional)

Revenues

$2.4B

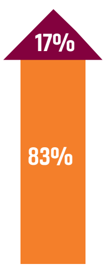
Operating Non-Operating Other



Endowment

$1.95B

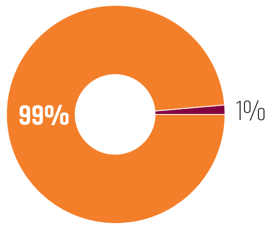
Contributions Appreciation



Expenses

$2.0B

Operating Non-Operating



Sponsored Program Awards

Number of Awards Granted

2,126

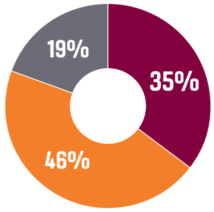
Value of Awards Received

$ 548.1 M

Student Financial Aid

$714.9M

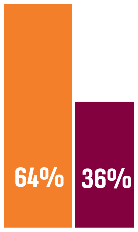
Loans Grants Employment



Assets

$4.5B

Capital Noncapital



University Highlights

For the years ended June 30, 2020 - 2024	2019-20	2020-21 (1)	2021-22	2022-23	2023-24
Student admissions					
Applications received, including transfers					
Undergraduate	34,769	33,538	44,936	48,211	50,220
Graduate	7,376	7,445	7,448	8,498	8,956
Offers, as a percentage of applications					
Undergraduate	69.2%	65.7%	55.8%	57.0%	57.2%
Graduate	48.4%	57.6%	59.5%	48.0%	53.7%
New enrollment, as a percentage of offers					
Undergraduate	36.4%	35.5%	30.5%	29.7%	28.9%
Graduate	48.2%	37.4%	45.0%	44.8%	41.9%
Total student enrollment (head count)					
Enrollment by classification					
Undergraduate	29,300	30,020	29,760	30,434	30,504
Graduate and first professional	7,083	7,004	7,519	7,736	7,790
Enrollment by campus					
Blacksburg campus	34,131	24,878	34,656	35,593	35,734
National Capital Region	980	752	871	715	810
Other off-campus locations	1,272	11,394	1,752	1,862	1,750
Enrollment by residence					
Virginia	23,762	24,479	23,619	23,722	23,426
Other states	8,589	8,998	9,966	10,564	10,857
Other countries	4,032	3,547	3,694	3,884	4,011
Degrees conferred					
Undergraduate (first majors)	6,832	7,393	7,290	8,076	7,271
Graduate and first professional	2,159	2,084	2,117	2,568	2,571
Faculty and staff					
Full-time instructional faculty	2,050	2,068	2,082	2,135	2,183
Other faculty and research associates	2,914	2,888	2,953	3,155	3,355
P14 faculty/part-time faculty	228	232	249	263	231
Support staff	3,471	3,380	3,257	3,276	3,386
Total faculty and support staff	8,663	8,568	8,541	8,829	9,155
Percent of instructional faculty tenured	51%	53%	51%	50%	50%

(1) 2020-21 admissions, enrollments, and course delivery options were affected as a result of the COVID-19 pandemic.

Financial Highlights

For the years ended June 30, 2020-2024 *(all dollars are in millions; square feet in thousands)*	2019-20	2020-21 *(restated)*	2021-22 *(restated)*	2022-23 *(restated)*	2023-24
Revenues, expenses, and changes in net position					
Operating revenues	$ 1,188.8	$ 1,162.3	$ 1,311.6	$ 1,443.3	$ 1,537.9
Operating expenses	1,549.8	1,509.5	1,637.2	1,810.4	1,953.9
Operating loss [1]	(361.0)	(347.2)	(325.6)	(367.1)	(416.0)
Non-operating revenues and expenses [1]	382.4	517.8	436.1	545.4	611.6
Other revenues, expenses, gains, or losses	101.1	130.3	199.7	212.9	221.4
Net increase in net position	$ 122.5	$ 300.9	$ 310.2	$ 391.2	$ 417.0
University net position					
Net investment in capital assets	$ 1,437.6	$ 1,521.3	$ 1,705.6	$ 1,994.3	$ 2,112.0
Restricted	$ 213.5	$ 251.7	$ 259.1	$ 322.6	$ 443.8
Unrestricted	$ (135.6)	$ 42.1	$ 160.6	$ 288.1	$ 416.2
Assets and facilities					
Total university assets	$ 2,889.4	$ 3,291.9	$ 3,578.1	$ 4,217.0	$ 4,512.7
Capital assets, net of accumulated depreciation	$ 1,936.1	$ 2,112.5	$ 2,292.4	$ 2,685.1	$ 2,887.9
Facilities—owned gross square feet	11,855	12,273	12,373	12,530	12,643
Facilities—leased square feet	2,273	2,134	2,146	2,407	2,425
Sponsored programs					
Number of awards received	2,391	2,328	2,097	2,311	2,126
Value of awards received	$ 367.7	$ 349.3	$ 390.3	$ 458.1	$ 548.1
Research expenditures reported to NSF [2]	$ 556.3	$ 542.0	$ 592.0	$ 598.1	N/A
Virginia Tech Foundation					
Gifts and bequests received	$ 163.5	$ 177.0	$ 203.3	$ 136.1	$ 178.3
Expended in support of the university	$ 180.7	$ 155.8	$ 242.2	$ 220.6	$ 246.9
Total assets and managed funds	$ 2,226.0	$ 2,687.6	$ 2,667.8	$ 2,838.3	$ 3,026.3
Endowments (at market value)					
Owned by Virginia Tech Foundation (VTF)	$ 932.4	$ 1,184.7	$ 1,167.3	$ 1,314.0	$ 1,333.9
Owned by Virginia Tech (held with VTF)	397.0	495.6	507.9	575.9	605.8
Managed by VTF under agency agreements	8.5	10.1	9.6	10.0	10.5
Total endowments supporting the university	$ 1,337.9	$ 1,690.4	$ 1,684.8	$ 1,899.9	$ 1,950.2
Student financial aid					
Number of students receiving selected types of financial aid					
Loans	13,267	13,140	12,894	13,195	13,070
Grants, scholarships, and waivers	20,548	20,606	20,179	23,478	22,690
Employment opportunities	12,430	9,747	11,693	12,390	12,789
Total amounts by major category					
Loans	$ 200.2	$ 202.4	$ 206.5	$ 226.5	$ 246.7
Grants, scholarships and waivers	243.5	251.0	265.9	289.0	329.9
Employment opportunities	94.7	94.4	101.6	122.9	138.3
Total financial aid	$ 538.4	$ 547.8	$ 574.0	$ 638.4	$ 714.9

(1) The university will always be expected to show an operating loss since significant recurring revenues are shown as non-operating. Major revenue sources reported as non-operating include state appropriations, gifts, and investment income. These revenue sources are used for general operations in support of the learning, discovery, and engagement missions of the university.

(2) Total research expenditures reported to the National Science Foundation for the current year were not available at publication date.

Message from the Executive Vice President and Chief Operating Officer

As an institution with bold ambitions, Virginia Tech is committed to providing an exceptional education to our students, leading through impactful research and scholarship, and being a strong partner to the communities we serve. The university's motto, *Ut Prosim* (That I May Serve), is not just a catch phrase; it is a mindset that serves as a lodestar for fulfilling our mission as a land grant institution. Each of these goals is ambitious; taken together, they require us to think differently about how we carry out and resource our work and advance in directions that align with our strategic priorities. Fiscal year 2024 saw the university emphasize two major strategic commitments that typify *Ut Prosim*. The Virginia Tech Advantage is a multiyear commitment to enhance students' educational experience by increasing scholarships for in-state students, providing additional support for unmet needs, helping with career preparation, and offering transformational learning experiences. The Virginia Tech Global Distinction underscores the university's commitment to elevating the international prominence of the institution and strengthening capacity to act as a force for positive change.

During FY24, we completed foundational work to identify and align existing resources in these domains and plan for new investments that will support implementation of these priorities. Virginia Tech's strong financial performance bolsters not only these exciting new initiatives but also strengthens the university's leveraging of technology to enhance the user experience, improve our business processes, and optimize our human talent. In all facets of our work, we remain committed to excellence in discovery, learning, and engagement.

In FY24, the university made significant gains in total revenues, net position, endowment market value, sponsored research program awards, and student scholarships. Specifically, the university's total (operating and non-operating) revenue increased 7.7 percent over the prior year to $2.37 billion, with total expenses growing 7.9 percent to $1.95 billion, resulting in an increase in net position of $417 million or 16.3 percent. The market value of total endowments supporting the university grew 2.6 percent, while total assets and managed funds of the Virginia Tech Foundation grew 6.6 percent. The value of total sponsored program awards grew 19.7 percent to $548 million. The total value of grants, scholarships, and waivers awarded to students increased 14.2 percent to $330 million, reflecting the university's commitment to the Virginia Tech Advantage and supporting students with financial need.

Virginia Tech continued to see growth in student demand as well, achieving a historic milestone with 47,128 first-year applications for fall 2023—an increase of 4% over the previous year. The university experienced notable growth in applications from first-generation students and across diverse demographic groups, with Early Decision applications rising by 17 percent.

Amy Sebring
Executive Vice President and Chief Operating Officer

Total enrollment for the 2023-24 academic year reached 38,294 students, including 30,504 undergraduates and 7,790 graduate and professional students, marking slight increases from the prior year. Retention rates also improved, particularly among first-time, underrepresented, and first-generation students. At the emerging Innovation Campus in Northern Virginia, enrollment climbed to 795 students pursuing advanced degrees in computer science and computer engineering. This growth is in direct support of the commonwealth's Tech Talent Investment Program, a critical initiative to address Virginia's tech talent gaps.

Clearly, the value of a Virginia Tech education is increasingly being recognized for the outstanding value of rich learning experiences that contribute to our students' long-term success. Although rankings have their limitations, they do provide some reflection on how others view us – and Virginia Tech is being noticed. Virginia Tech was ranked #20 among top public schools in the U.S. News & World Report's 2023-24 Best College rankings. The university also ranked #6 among all U.S. public schools in recent Wall Street Journal/College Pulse rankings that measure how much a school improves students' chances of graduating, their future earnings, and the overall student experience.

A marker of the Virginia Tech Global Distinction commitment, the university's research impact is soaring to new heights, driving innovation and shaping the future. The National Science Foundation's latest Higher Education Research and Development (HERD) survey, which charts the nation's institutions by FY23 research expenditures, reflected growth of university externally funded expenditures to $418.5 million. This achievement exceeded the university's 2025 goal of $415 million two years sooner than anticipated. Building on these results, Virginia Tech has launched an ambitious new goal of $600 million in externally funded expenditures by fiscal year 2029. The university also achieved higher rankings in key disciplines, placing #21 in computer and information sciences, #14 in mathematics and statistics, and #14 in engineering.

Virginia Tech's research performance helped propel the university into the top 10 percent of participating schools in the Times Higher Education 2024 Impact Rankings. These rankings assess over 2,000 universities around the globe against the United Nations' Sustainable Development Goals and are calibrated across the disciplines of research, stewardship, outreach, and teaching.

The Commonwealth of Virginia made critical investments in Virginia Tech to support higher education affordability, enhance employee compensation, and advance research programs in FY24. A total of $403.1 million in annual general fund appropriations was provided to the university from the commonwealth to support the operations of the academic division, cooperative extension and agricultural experiment station division, student financial aid assistance, research, and the Corps of Cadets programs in FY24 – an increase of $37.8 million over the prior year. Incremental state support in FY24 included $9.2 million in appropriations for affordable access and $9.2 million for student financial assistance. The appropriation also included the state share of a 5 percent compensation program for faculty, staff, and graduate assistants that took effect in July 2023 and an additional 2 percent program for December 2023.

Private philanthropy continues to be a significant driver in realizing the university's aspirations. The university received $226 million in new gifts and commitments in FY24. The three-year annual average of new gifts and commitments stands at $239 million, with a goal to grow this average to $300 million annually by the end of the decade. The university's Boundless Impact campaign total stands at $1.64 billion, nearing the $1.872 billion goal to be raised by June 30, 2027. The undergraduate alumni giving participation level exceeded 20 percent for the third straight year, making it a national leader in this category. Virginia Tech's Giving Day reflected high alumni participation raising more than $13 million from nearly 19,000 donors in all 50 states and 21 different countries. In October 2023, the university launched a $500 million fundraising effort to support the Virginia Tech Advantage – with a goal of $450 million in support of undergraduate scholarships for in-state Pell- and state grant-eligible students and another $50 million supporting student success initiatives such as career preparation, transformational learning experiences, and more. The launch was augmented by a $10 million gift to create the Preston and Catharine White Endowed Diversity Scholarship – which will provide scholarships to students from underrepresented and first-generation backgrounds each academic year.

The value of the Virginia Tech Foundation's endowed assets totaled $1.95 billion as of June 30, 2024, an increase from the FY23 total of $1.90 billion. The continued strength in philanthropy, coupled with solid endowment performance offers flexibility to invest in university priorities and expand financial aid resources for students.

The university continued to expand opportunities for learning, research, and discovery in new ways, while also partnering with the commonwealth and private industry on several economic, workforce, and education initiatives. The university's strategic focus and investments into the health sciences research and national security frontiers are illustrated by:

- Announced in FY24, the Red Gates Foundation committed to a $50 million gift to the Fralin Biomedical Research Institute (FBRI) to support research in cancer and brain disorders.
- With funding from the state, planning is underway to design a new 125,000 gross square foot (gsf) building for the Virginia Tech-Carilion School of Medicine and renovate 51,000 gsf of the existing School of Medicine and Research Institute building to be backfilled by FBRI.
- FBRI continued to expand its partnership with the Children's National Research Innovation Campus in Washington, D.C., with a strategic goal of enhancing research activity around pediatric cancer, neuroscience, neurobiology, and more.
- FBRI received $1 million from the commonwealth in FY24 to research the efficacy of making electroencephalogram combined transcranial magnetic stimulation available for veterans, first responders, and law-enforcement officers.
- Virginia Tech also received a designation as a Focused Ultrasound Center of Excellence from the Focused Ultrasound Foundation, a marker of the transdisciplinary program's potential to impact human and animal lives in areas of critical unmet need such as neurological disorders and hard-to-treat cancers.
- The Virginia Tech National Security Institute recently received $17 million in funding to collaborate with the U.S. Navy and industry to test autonomous undersea robotics – a marker of the institute's continued growth and impact since its establishment in 2021.
- The Commonwealth Cyber Initiative, comprised of 46 Virginia higher education institutions, reported $110 million in new research grants and contracts for FY24, furthering its vision of making Virginia a global cybersecurity leader. This includes a $42 million grant from the U.S. Department of Commerce related to wireless mobile networks, featuring the CCI xG Testbed at Virginia Tech – a cutting-edge facility that is helping train future cybersecurity experts and offers industry partners an unparalleled opportunity to test hardware and software before moving to the marketplace. As one of only 17 of its kind in the world, the Testbed positions Virginia Tech at the forefront of innovative research and industry collaborations in cyber technology.

Supporting the institution's mission and long-term vision, Virginia Tech's portfolio of active capital projects had a combined adjusted budget of $1.27 billion for FY24, with nearly $295 million of annual expenditures and $760 million of cumulative expenditures across 23 projects. FY24 saw the substantial completion of Hitt Hall, a new 101,000 gsf building that houses an expansion of the Myers-Lawson School of Construction, a new dining center, and other academic spaces. The university's new Transit Center began operations in Summer 2024, and additional projects anticipated to come online during the 2024-25 academic year include a new 102,700 gsf science instruction laboratory building, comprehensive renovations to War Memorial Hall, and the opening of the new 11-story, 300,000 gsf Academic Building One in Alexandria, Virginia in spring 2025.

During the 2024 General Assembly Session, Virginia Tech was able to secure additional state funded maintenance reserve authorization at $43.4 million for the upcoming 2024-26 Biennium, which provides funding to help maintain aging campus buildings. The university also secured construction authorization and funding for two additional projects to improve research facilities in Center Woods and campus accessibility as well as planning funds for the Derring Hall Building Envelope Repairs project and improvements to the Eastern Shore Agricultural and Extension Research Center (AREC).

Supporting these transformational capital projects and strategic initiatives requires consideration and management of the university's debt. For FY24, the university reported a debt ratio of 4.82 percent, with a long-term debt liability of $781 million. The university maintained its credit ratings of Aa1 from Moody's Investors Service Inc., and AA from S&P Global Ratings (note: in December 2024 S&P Global upgraded the university's rating to AA+). Our proactive capital outlay and debt allocation planning processes ensure the university meets its debt-related performance requirements while preserving capacity for future priority projects.

This year has been pivotal to solidifying Virginia Tech's foundation to deliver on its land grant imperative of serving the commonwealth and for bringing talent not only from within the commonwealth but across the globe to solve the most pressing issues of our time.

Management's Responsibility for Financial Reporting and Internal Controls

VIRGINIA TECH

The information in this Annual Financial Report, including the accompanying basic financial statements, notes, management's discussion and analysis, and other information is the responsibility of Virginia Tech executive management. Responsibility for the accuracy of the financial information and fairness of its presentation, including all disclosures, rests with the management of the university. Management believes the information is accurate in all material respects and fairly presents the university's revenues, expenses, and changes in net position as well as its overall financial condition. This report was prepared in accordance with generally accepted accounting principles for public colleges and universities in the United States of America as prescribed by the Governmental Accounting Standards Board. Management is responsible for the objectivity and integrity of all representations herein. The Annual Financial Report includes all disclosures necessary for the reader of this report to gain a broad understanding of the university's operations for the year ended June 30, 2024.

The administration is responsible for establishing and maintaining the university's system of internal controls. Key elements of the university's system of internal controls include: careful selection and training of administrative personnel; organizational structure that provides appropriate division of duties; thorough and continuous monitoring, control, and reporting of operating budgets versus actual operating results; well communicated written policies and procedures; annual self-assessments led by the Office of the University Controller; a growing management services segment; and an extensive internal audit function. Although there are inherent limitations to the effectiveness of any system of accounting controls, management believes that the university's system provides reasonable, but not absolute, assurances that assets are safeguarded from unauthorized use or disposition, and accounting records are sufficiently reliable to permit preparation of financial statements and appropriate accountability for assets and liabilities.

The Virginia Tech Board of Visitors has created two committees which review and monitor the university's financial reporting and accounting practices. The Finance and Resource Management Committee meets with university financial officers and external independent auditors annually to review the Annual Financial Report, results of audit examinations, and quality of financial reporting. The Compliance, Audit, and Risk Committee periodically meets with internal auditors and university financial officers. These meetings include a review of the scope, quality, and results of the internal audit program, as well as a review of issues related to internal controls.

The Auditor of Public Accounts (APA), the office of the Commonwealth of Virginia's auditors, has examined these annual financial statements and the report thereon appears on the facing page. The APA examination includes a study and evaluation of the university's system of internal controls, financial systems, policies, and procedures, resulting in the issuance of a management letter describing various issues considered worthy of management's attention. The university has implemented policies and procedures for the adequate and timely resolution of such issues. No material weaknesses were found on internal control matters by the APA for the fiscal year ended June 30, 2024.

Simon P. Allen
Vice President for Finance and Chief Financial Officer

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
An equal opportunity, affirmative action institution

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 18, 2024

The Honorable Glenn Youngkin, Governor of Virginia
Joint Legislative Audit and Review Commission
Board of Visitors, Virginia Polytechnic Institute and State University
Timothy D. Sands, President, Virginia Polytechnic Institute and State University

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

Opinions

We have audited the financial statements of the business-type activities and discretely presented component unit of **Virginia Polytechnic Institute and State University** (Virginia Tech), a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Virginia Tech's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of another auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Virginia Tech as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit of Virginia Tech, which is discussed in Notes 1 and 27. Those statements were audited by another auditor whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the component unit of Virginia Tech, are based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Virginia Tech and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the component unit of Virginia Tech that were audited by another auditor, upon whose report we are relying, were not audited in accordance with Government Auditing Standards.

Emphasis of Matters

Change in Accounting Principle

As discussed in Note 1 of the accompanying financial statements, Virginia Tech implemented Governmental Accounting Standards Board (GASB) Implementation Guide 2021-1 Question 5.1, related to capitalizing groups of assets. Our opinions are not modified with respect to this matter.

Correction of 2023 Financial Statements

As discussed in Note 1 of the accompanying financial statements, the fiscal year 2023 financial statements have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

Other Matters

Report on Summarized Comparative Information

We have previously audited Virginia Tech's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements in our report dated November 3, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived, except where revised due to error corrections and the implementation of GASB Implementation Guide 2021-1 Question 5.1, as discussed in Note 1.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Tech's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Virginia Tech's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Tech's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements: Management's Discussion and Analysis on pages 11 through 19; the Schedule of Virginia Tech's Share of Net Pension Liability, the Schedule of Virginia Tech's Pension Contributions, and the Notes to the Required Supplementary Information for Pension Plans on pages 65 through 66; the Schedule of Virginia Tech's Share of OPEB Liability (Asset), the Schedule of Virginia Tech's Share of OPEB Contributions, and the Notes to the Required Supplementary Information for the Pre-Medicare Retiree Healthcare, Health Insurance Credit, Group Life Insurance, Disability Insurance and Line of Duty programs, as applicable, on pages 67 through 69. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Virginia Tech's basic financial statements. The supplementary information, such as the Virginia Tech Foundation, Inc. information, Affiliated Corporations Financial Highlights, and Consolidating Schedules, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information as been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, including the Virginia Tech Foundation, Inc. information and Affiliated Corporations Financial Highlights, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 2024 Snapshot, University Highlights, Financial Highlights, and Message from the Executive Vice President and Chief Operating Officer but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 2024, on our consideration of Virginia Tech's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Virginia Tech's internal control over financial reporting and compliance.

Staci A. Henshaw

AUDITOR OF PUBLIC ACCOUNTS

MBR/vks

Photo by Luke Hayes/Virginia Tech

Management's Discussion and Analysis
(Unaudited)

Virginia Polytechnic Institute and State University, popularly known as Virginia Tech, is a comprehensive land-grant university located in Blacksburg, Virginia. The university offers approximately 280 graduate, undergraduate, and professional degree programs through its nine academic colleges: Agriculture and Life Sciences; Architecture, Arts, and Design; Engineering; Liberal Arts and Human Sciences; Natural Resources and Environment; Pamplin College of Business; Science; Virginia-Maryland College of Veterinary Medicine; and Virginia Tech Carilion School of Medicine.

Virginia Tech has evolved into a position of increasing national prominence since its founding in 1872, consistently ranking among the nation's top universities for undergraduate and graduate programs.

The university is an agency of the Commonwealth of Virginia and therefore included as a component unit in the Commonwealth of Virginia's *Annual Comprehensive Financial Report.* The 14 members of the Virginia Tech Board of Visitors govern university operations. Members of the board are appointed by the Governor of Virginia.

Overview

This unaudited *Management's Discussion and Analysis* (MD&A) is required supplemental information under the Governmental Accounting Standards Board's (GASB) reporting model. It is designed to assist readers in understanding the accompanying financial statements and provide an overall view of the university's financial activities based on currently known facts, decisions, and conditions. This discussion includes an analysis of the university's financial condition and results of operations for the fiscal year ended June 30, 2024. Comparative numbers are included for the fiscal year ended June 30, 2023, and have been restated according to guidance in *Implementation Guide 2021-1 Question 5.1,* which became effective for reporting periods beginning after June 15, 2023, and for errors related to leases and subscription-based information technology arrangements (SBITAs) in accordance with GASB Statement 100, *Accounting Changes and Error Corrections.*

Photo by Luke Hayes/Virginia Tech

Since this presentation includes highly summarized data, it should be read in conjunction with the accompanying basic financial statements, including notes and other supplementary information. The university's management is responsible for all of the financial information presented, including this discussion and analysis.

The university's financial statements have been prepared in accordance with GASB Statement 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as amended by GASB Statements 37, 38, and 63. The three required financial statements are the *Statement of Net Position* (balance sheet), the *Statement of Revenues, Expenses, and Changes in Net Position* (operating statement), and the *Statement of Cash Flows.* These statements are summarized and analyzed in the following sections.

In accordance with Section 2100 of the GASB codification, the university's nine affiliated corporations were evaluated on the nature and significance of their relationship to the university. The Virginia Tech Foundation Inc. (VTF or the foundation) was determined to be a component unit and is presented in a separate column on the university's financial statements. VTF serves the university by generating significant funding from private sources and aggressively managing its assets to provide supplemental funding to the university. The foundation is not part of this MD&A, but details regarding its financial activities can be found in Note 27 of the *Notes to Financial Statements.* Transactions between the university and this component unit have not been eliminated in this year's financial statements.

The following GASB statements of standards became effective and were implemented in fiscal year 2024: Statement 99, *Omnibus 2022*, paragraphs 4 to 10; Statement 100, *Accounting Changes and Error Corrections* - an amendment of GASB 62; and the *Implementation Guide 2021-1, Question 5.1.* The university was not affected by the implementation of Statement 99.

In June 2022, GASB issued Statement 100 *Accounting Changes and Error Corrections.* This statement requires comprehensive disclosures regarding accounting changes and error corrections to include the following: nature and reason for accounting change or error correction; quantitative impact on the financial statements; for errors, a description of the error and how it was discovered and corrective actions taken; cumulative effect on opening balance of net position in a tabular format. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The university adopted GASB Statement 100 in fiscal year 2024 with an implementation date of July 1, 2023, identifying material error corrections related to leases and SBITAs. The university restated beginning balances for error corrections identified related to long-term leases and subscription-based information technology arrangements. The net lease asset decreased by $4.2 million and the associated liability decreased by $4.5 million as a result of the corrections. This change was primarily caused by a reduction of liability owed to the foundation based on corrected debt recovery schedules on the North End Center building and garage. The net subscription asset increased $0.2 million and the associated liability decreased by $0.1 million due to various corrections related to prior period subscriptions.

The university adopted the interpretation of *Implementation Guide 2021-1, Question 5.1* which indicated that the institution should capitalize assets whose individual acquisition costs are less than the institution's capitalization threshold for an individual asset if those assets in the aggregate are significant. These changes were applied retroactively and the prior year was restated. This restatement resulted in the recognition of pooled equipment assets (net) of $52.5 million for fiscal year 2023.

Statement of Net Position

The *Statement of Net Position* (SNP) presents the university's assets, liabilities, and net position as of the end of the fiscal year. The purpose of this statement is to present a snapshot of the university's financial position to readers of the financial statements.

The data presented aids readers in determining the assets available to continue operations of the university. It also allows readers to see what the university owes to vendors, investors, and lending institutions. Finally, the SNP provides a picture of the university's net position and the restrictions for expenditure of the components of net position. Sustained increases in net position over time are one indicator of the financial health of the organization.

The university's net position is classified as follows:

Net investment in capital assets – Net investment in capital assets represents the university's total investment in capital assets, net of accumulated depreciation, amortization, and outstanding debt obligations related to those capital assets. Debt incurred, but not yet expended for capital assets, is not included as a component of net investment in capital assets.

Restricted component of net position, nonexpendable – The nonexpendable category of the restricted component of net position consists of endowment and similar type funds where donors or other outside sources have stipulated, as a condition of the gift instrument, the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income to be expended or added to principal. The university's nonexpendable endowments of $14.7 million are included in its column on the SNP.

Restricted component of net position, expendable – The expendable category of the restricted component of net position includes resources the university is legally or contractually obligated to expend, with restrictions imposed by external third parties. This category partially consists of quasi-endowments totaling $58.3 million. The investment of quasi-endowments is managed by VTF.

Unrestricted component of net position – The unrestricted component of net position represents resources used for transactions relating to academic departments and general operations of the university and may be used at the discretion of the university's board of visitors to meet current expenses for any lawful purpose in support of the university's primary missions of instruction, research, and outreach. These resources are derived from student tuition and fees, state appropriations, recoveries of facilities and administrative (indirect) costs, and sales and services of auxiliary enterprises and educational departments. The auxiliary enterprises are self-supporting entities that provide services for students, faculty, and staff. Examples of the university's auxiliaries are intercollegiate athletics and student residential and dining programs.

Total university assets increased by $295.7 million or 7.0% during the fiscal year 2024, bringing the total to $4,512.7 million at year-end. Current assets increased by $48.1 million. The growth is largely the result of increases in cash and cash equivalents of $57.7 million and prepaid expenses of $2.5 million. These upturns were offset by declines in accounts and contributions receivable of $10.7 million, predominately in the grant and contracts area, and a decrease of $1.4 million in inventories. Noncurrent assets grew by $247.6 million. Depreciable capital assets, net, increased by $136.1 million reflecting the capitalization of completed university research, instructional, and auxiliary facilities discussed in detail in the following section, Capital Asset and Debt Administration. Long-term investments rose $48.0 million while nondepreciable capital assets rose by $66.7 million due to several capital projects currently underway on the university campus and in northern Virginia. There was also an increase of $44.7 million in the Due from the Commonwealth of Virginia line item attributable to additional capital activity being funded by capital appropriations and VCBA 21st century bonds, as well as small increases of $2.7 million in accounts and notes receivable and $0.7 million of other assets. These increases were offset by a decline in noncurrent cash and cash equivalents and short-term investments of $51.3 million which was largely a result of spending down the bond proceeds for capital projects.

Total university liabilities declined by $46.1 million or 2.8% during fiscal year 2024. The current liabilities category decreased by $29.4 million. The decrease in current liabilities was largely due to a decrease of $38.7 million in accounts payable and accrued liabilities, mostly attributable to capital projects payables to contractors. This decrease was offset by a rise of $5.4 million in funds held in custody for others. Noncurrent liabilities fell by $16.7 million. The largest decreases in this area were for long-term debt of $40.2 million, due to normal debt payments, and a long-term lease payable decrease of $12.3 million. These declines were offset by increases in the following areas: the actuarially determined pension liability of $31.2 million; accrued compensated absences of $2.7 million; other postemployment benefits liabilities of $0.9 million; and other liabilities of $1.0 million.

The increase in total assets along with the increase in total liabilities is reflected in the year-over-year growth of the university's net position of $417.0 million (16.3%). Net position in the category of net investment in capital assets increased by $167.7 million, reflecting continued investment in new facilities and equipment supporting the university's mission. Unrestricted net position rose by $128.1 million (44.5%) due to the prudent management of fiscal resources as well as the net change of $46.6 million in VRS Pension and OPEB liabilities, and deferred inflows and outflows.

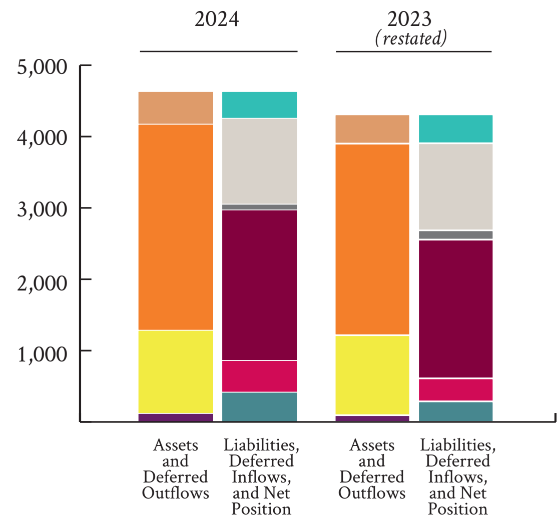
Photo by Jenni Schoner/Virginia Tech

Summary of Assets, Liabilities, and Net Position

Assets, Liabilities and Net Position
For the years ended June 30, 2024 and 2023
(all dollars in millions)

	2024	2023 (restated)	Change Amount	Change Percent
Current assets	$ 459.0	$ 410.9	$ 48.1	11.7 %
Capital assets, net*	2,887.9	2,685.1	202.8	7.6 %
Other assets	1,165.8	1,121.0	44.8	4.0 %
Total assets	4,512.7	4,217.0	295.7	7.0 %
Deferred outflow of resources	118.5	94.3	24.2	25.7 %
Current liabilities	376.0	405.4	(29.4)	(7.3)%
Noncurrent liabilities	1,203.6	1,220.3	(16.7)	(1.4)%
Total liabilities	1,579.6	1,625.7	(46.1)	(2.8)%
Deferred inflow of resources	79.6	130.6	(51.0)	(39.1)%
Net investment in capital assets	2,112.0	1,944.3	167.7	8.6 %
Restricted	443.8	322.6	121.2	37.6 %
Unrestricted	416.2	288.1	128.1	44.5 %
Total net position	$ 2,972.0	$ 2,555.0	$ 417.0	16.3%

*Includes long-term leases and SBITAs.



Capital Asset and Debt Administration

One of the critical factors in ensuring the quality of the university's academic, research, and residential life functions is the development and renewal of its capital assets. The university continues to maintain and upgrade current structures, as well as pursue opportunities for additional facilities. Investment in new structures and the upgrade of current structures serve to enrich high-quality instructional programs, residential lifestyles, and research activities.

Note 7 of the *Notes to Financial Statements* describes the university's significant investment in depreciable capital assets, with gross additions of $328.0 million during fiscal year 2024. Major projects included the completion of Hitt Hall ($69.7 million), the Corps Leadership and Military Science building ($47.6 million), the Upper Quad Hall North residence hall ($39.1 million), and Slusher Hall renovations ($6.6 million). Ongoing investments in instructional, research, and computer equipment, as well as pooled assets, totaled $98.9 million. Depreciation and amortization expense related to capital assets was $175.0 million with net retirement of depreciable assets of $16.9 million. The net increase in depreciable capital assets for this period was $136.1 million. The net increase in nondepreciable capital assets ($66.7 million) was primarily due to more construction-in-progress expenses during the current year for major building projects to be completed after fiscal year 2024. The major projects remaining in the construction-in-progress category include construction of the new Innovation Campus in Alexandria ($252.2 million), construction of a new undergraduate lab building ($75.1 million), renovation of War Memorial Hall ($61.9 million), and other ongoing capital improvements and renovations throughout the university ($101.4 million). In addition, $18.3 million was withheld as retainage payable on major projects under construction. This retainage amount will be moved to the building asset

Photo by Jenni Schoner/Virginia Tech

Photo by Katie Mallory/Virginia Tech

Summary of Capital Project Funding

Funding for Authorized Current and Future Capital Projects
As of June 30, 2024
(all dollars in millions)

	State Funds (1)	Other Funds (2)	University Debt Issued Before June 30, 2024 (3)	University Debt To Be Issued After June 30, 2024 (4)	Total Funding	Cash Basis Project-To-Date Expenses
Current education and general	$ 665.9	$ 104.9	$ 36.0	$ 59.1	$ 865.9	$ 427.4
Current auxiliary enterprise	-	45.7	44.4	-	90.1	73.7
Total current	665.9	150.6	80.4	59.1	956.0	501.1
Future education and general	0.6	17.3	-	-	17.9	1.2
Future auxiliary enterprise	-	19.5	-	-	19.5	0.3
Total future	0.6	36.8	-	-	37.4	1.5
Total authorized	$ 666.5	$ 187.4	$ 80.4	$ 59.1	$ 993.4	$ 502.6

(1) Includes the general fund, capital appropriations, and the general obligation bonds of the Commonwealth of Virginia.

(2) Includes private gifts, auxiliary surpluses, student fees, and other customer revenues.

(3) Includes bonds and notes payable issued in the current or prior years which will be repaid by the university.

(4) Includes bonds and notes payable the university plans to issue in future years which will be repaid by the university.

category once final payments are made to the construction contractors. Proceeds from the sale of commercial paper were used to provide temporary funding for some projects under construction. The majority of the temporary financing will be replaced with the issuance of long-term bonds and notes.

Total liabilities related to debt, long-term leases, and SBITAs experienced a net decrease of $46.3 million during fiscal year 2024. This decrease was due to retirements and terminations ($64.6 million) and the net effect of debt refunding during the current year ($0.4 million). This decrease was offset by the addition of long-term leases payable ($8.8 million) and SBITAs payable ($9.4 million). See Notes 12, 13, 14, 15, and 16 of the *Notes to Financial Statements* for more details.

The educational and general (E&G) portion of the university's capital outlay program includes eight projects currently under construction. These projects include construction of an academic building for the Innovation Campus in Alexandria ($302.1 million), construction of Mitchell Hall to replace Randolph Hall ($292.3 million), a new undergraduate science lab building ($90.4 million), and building envelope improvements ($47.2 million). Future capital projects include the planning phase of a new building for the Pamplin College of Business ($8.0 million). The Commonwealth of Virginia will provide partial funding for several of these E&G projects. In addition to funding received from the commonwealth, the projects may also be funded from a combination of private gifts, student fees, other customer revenues, and debt financing.

The auxiliary enterprises portion of the university's capital outlay program represents two projects currently under construction. These projects include improvements to facilities providing student wellness services ($70.0 million) and football locker room renovations ($5.9 million). Future capital projects include planning for a student life village ($19.5 million). Since auxiliaries are required to be self-supporting, no state general funds or capital appropriations are provided for these projects. These projects will be funded by a combination of private gifts, student fees, other customer revenues, and debt financing.

Virginia Tech had a total authorization of $993.4 million in capital building projects as of June 30, 2024, requiring approximately $59.1 million in additional debt financing. Capital projects in progress carried commitments to construction contractors, architects, and engineers totaling $112.9 million at June 30, 2024. These obligations are for future effort and as such have not been accrued as expenses or liabilities on the university's financial statements. The majority of the financial commitment is attributed to the construction of Mitchell Hall to replace Randolph Hall ($56.3 million), construction of the Innovation Campus in Alexandria ($32.3 million), construction of a new undergraduate science laboratory building ($6.1 million), construction of livestock and poultry research facilities ($4.8 million), and planning for a new Pamplin College of Business building ($4.8 million). These commitments represent only a portion of the university's capital projects currently under construction or authorized by the commonwealth.

The university's bond and commercial paper ratings shown in the table below reflect strong student demand, balanced operating performance, and adequate reserves to address unforeseen expenses.

	Bonds	Commercial Paper
Moody's Investor Service Inc.	Aa1	P-1
S&P Global Ratings	AA	A-1+

Photo by Luke Hayes/Virginia Tech

Statement of Revenues, Expenses, and Changes in Net Position

Operating and non-operating activities creating changes in the university's total net position are presented in the *Statement of Revenues, Expenses, and Changes in Net Position*, found on page 21. The purpose of the statement is to present all revenues received and accrued, all expenses paid and accrued, and gains or losses from investments and capital assets.

Operating revenues are generally received through providing goods and services to the various customers and constituencies of the university. Operating expenses are expenditures made to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the missions of the university. Salaries and fringe benefits for faculty and staff are the largest type of operating expense. Non-operating revenues are revenues received for which goods and services are not directly provided. Included in this category are state appropriations and gifts which supplement the payment of operating expenses of the university and support student scholarships. Therefore, the university, like most public institutions, expects to show an operating loss.

Summary of Revenues, Expenses, and Changes in Net Position

Revenues, Expenses, and Changes in Net Position
For the years ending June 30, 2024 and 2023
(all dollars in millions)

	2024	2023 *(restated)*	Change Amount	Change Percent
Operating revenues	$ 1,537.9	$ 1,443.3	$ 94.6	6.6 %
Operating expenses	1,953.9	1,810.4	143.5	7.9 %
Operating loss	(416.0)	(367.1)	(48.9)	(13.3)%
Non-operating revenues and expenses	611.6	545.4	66.2	12.1 %
Income before other revenues, expenses, gains or losses	195.6	178.3	17.3	9.7 %
Other revenues, expenses, gains or losses	221.4	212.9	8.5	4.0 %
Increase in net position	417.0	391.2	25.8	6.6 %
Net position - beginning of year, as restated	2,555.0	2,163.8	391.2	18.1 %
Net position - end of year	$ 2,972.0	$ 2,555.0	$ 417.0	16.3 %

Operating Revenues

Total operating revenues increased by $94.6 million or 6.6% from the prior fiscal year. The growth in operating revenues came mainly from three areas. Total sponsored grants and contracts, including federal appropriations, grew by $42.6 million. Grants and contracts awarded by federal sponsors increased by $27.9 million, state grants and contracts increased by $6.4 million, nongovernmental grants and contracts grew by $3.6 million and local grants and contracts rose by $2.5 million while federal appropriations increased by $2.3 million. Student tuition and fees rose by $39.4 million reflecting small increases in tuition and fee rates as well as a continuing demand for a Virginia Tech education. Revenues from auxiliaries, such as athletics and dorm and dining programs, rose $16.9 million. Finally, other operating revenues declined by $4.3 million. Overall, the university's operating revenues climbed from $1,443.3 million in fiscal year 2023 to $1,537.9 million in fiscal year 2024.

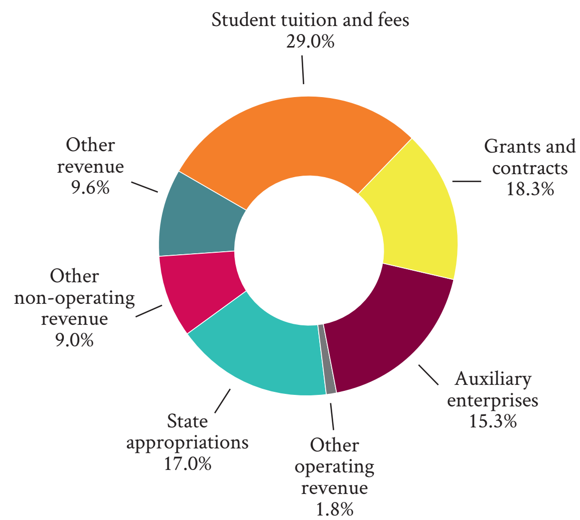
Summary of Revenues

Increase (Decrease) in Revenue
For the years ended June 30, 2024 and 2023
(all dollars in millions)

	2024	2023 *(restated)*	Change Amount	Change Percent
Operating revenue				
Student tuition and fees, net	$ 686.4	$ 647.0	$ 39.4	6.1 %
Grants and contracts [1]	448.9	406.3	42.6	10.5 %
Auxiliary enterprises	360.3	343.4	16.9	4.9 %
Other operating revenue	42.3	46.6	(4.3)	(9.2)%
Total operating revenue	1,537.9	1,443.3	94.6	6.6%
Non-operating revenue				
State appropriations	403.1	365.3	37.8	10.3 %
Other non-operating revenue [2]	208.5	180.1	28.4	15.8 %
Total non-operating revenue	611.6	545.4	66.2	12.1 %
Other revenue				
Capital appropriations	115.5	43.5	72.0	165.5 %
Capital grants and gifts	105.6	169.2	(63.6)	(37.6)%
Gain on disposal of capital assets	0.3	0.2	0.1	50.0 %
Total other revenue	221.4	212.9	8.5	4.0 %
Total revenue	$ 2,370.9	$ 2,201.6	$ 169.3	7.7 %

(1) Includes federal appropriations
(2) Includes gifts, investment income, interest expense on debt related to capital assets, federal Pell grants, and other non-operating revenue.

Total Revenue by Source
For the year ended June 30, 2024



Non-operating and Other Revenues and Expenses

Non-operating revenues and expenses totaled $611.6 million, an increase of $66.2 million from the previous year's total. Revenue increase in this category resulted primarily from growth in state appropriations of $37.8 million, an increase of $28.5 million in investment income as interest rates remained elevated, as well as a rise in gift revenue transferred from the Virginia Tech Foundation of $14.4 million. Also, federal financial aid grew by $2.0 million. These increases were partially offset by a decrease in Coronavirus relief funding of $7.4 million as those programs came to an end, as well as a decline in other non-operating revenues of $6.0 million largely due to a decrease in the special contributions from the commonwealth for the VRS pension and OPEB programs. Additionally, interest expense increased by $3.1 million.

Total other revenues, expenses, gains, and losses grew by $8.5 million compared to the prior year. The university received an increase in capital appropriation funding of $72.0 million for its maintenance reserve program and other capital projects. Capital grants and gifts declined $63.6 million due to a decrease in capital projects being funded by private gifts. Additionally, there was an increase of $0.1 million in the gain on disposal of capital assets.

Revenues from all sources (operating, non-operating, and other) for fiscal year 2024 totaled $2,370.9 million, increasing by $169.3 million from the prior year. Operating expenses totaled $1,953.9 million for fiscal year 2024, reflecting a year-over-year increase of $143.5 million. Total revenues less total operating expenses resulted in an increase to net position of $417.0 million.

Total Expenses

The university is committed to recruiting and retaining outstanding faculty and staff. The personnel compensation package is one way to successfully compete with peer institutions and nonacademic employers. The natural expense category, compensation and benefits, comprises $1,253.6 million or 64.2% of the university's total operating expenses. This category increased by $117.7 million (10.4%) over the previous year. Generally, changes to expenses in this category come from three sources: increases or reductions in the number of personnel, annual salary increases, and the general trend in the costs of fringe benefits. The benefits section is also affected by the changes in the actuarially calculated expenses for the OPEB and pension programs. Almost all of the natural expense categories saw increases as the university continues to grow and expand.

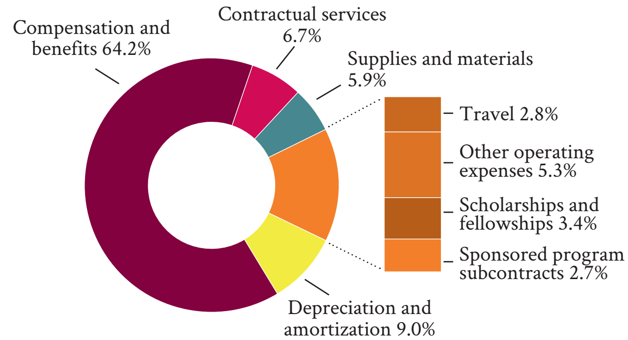
Summary of Expenses by Natural Classification

Increase (Decrease) in Expenses by Natural Classification
For the years ended June 30, 2024 and 2023
(all dollars in millions)

	2024	2023 (restated)	Change Amount	Change Percent
Compensation and benefits	$ 1,253.6	$ 1,135.9	$ 117.7	10.4 %
Contractual services	130.4	147.9	(17.5)	(11.8)%
Supplies and materials	114.4	93.8	20.6	22.0 %
Travel	55.6	51.5	4.1	8.0 %
Other operating expenses	105.9	111.3	(5.4)	(4.9)%
Scholarships and fellowships*	65.9	60.3	5.6	9.3 %
Sponsored program subcontracts	53.1	47.5	5.6	11.8 %
Depreciation and amortization	175.0	162.2	12.8	7.9 %
Total operating expenses	$ 1,953.9	$ 1,810.4	$ 143.5	7.9 %

**Includes loan administrative fees and collection costs.*

Expenses by Natural Classification
For the year ended June 30, 2024



Operating expenses for fiscal year 2024 totaled $1,953.9 million, an increase of $143.5 million or 7.9% from fiscal year 2023. In the functional categories of expense, research experienced the largest increase ($40.0 million) reflecting the increase in sponsored program awards and the continued investment in the university research centers. Instruction had the second-largest increase ($34.5 million) reflecting the continued investment in providing the highest quality education for the students of the university. Auxiliary enterprise functions also experienced an increase ($28.2 million).

In summary, the university's operating revenues increased by $94.6 million or 6.6% over the preceding year, while operating expenses grew by $143.5 million or 7.9%. This resulted in an operating loss for the current fiscal year of $416.0 million in comparison to the operating loss of $367.1 million generated during the previous year. State appropriations, investment earnings, and other net non-operating revenues were used to meet operating expenses not offset by operating revenues.

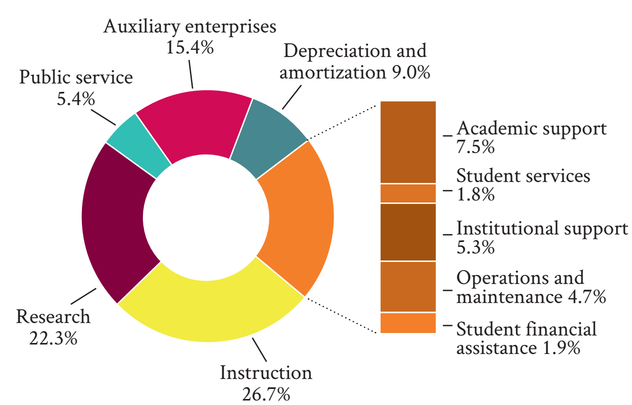
Summary of Expenses by Function

Increase (Decrease) in Expenses by Function
For the years ended June 30, 2024 and 2023
(all dollars in millions)

	2024	2023 (restated)	Change Amount	Change Percent
Instruction	$ 522.0	$ 487.5	$ 34.5	7.1 %
Research	435.6	395.6	40.0	10.1 %
Public service	105.1	101.8	3.3	3.2 %
Auxiliary enterprises	300.6	272.4	28.2	10.4 %
Depreciation and amortization	175.0	162.2	12.8	7.9 %
Subtotal	1,538.3	1,419.5	118.8	8.4 %
Support, maintenance, and other				
Academic support	147.8	130.2	17.6	13.5 %
Student services	35.1	33.0	2.1	6.4 %
Institutional support	103.4	91.0	12.4	13.6 %
Operations and maintenance	91.4	100.4	(9.0)	(9.0)%
Student financial assistance*	37.9	36.3	1.6	4.4 %
Total support, maint., and other	415.6	390.9	24.7	6.3 %
Total operating expenses	$ 1,953.9	$ 1,810.4	$ 143.5	7.9 %

**Includes loan administrative fees and collection costs.*

Expenses by Function
For the year ended June 30, 2024



Statement of Cash Flows

The *Statement of Cash Flows* presents detailed information about the cash activity of the university during the year. Cash flows from operating activities will always be different from the operating loss on the *Statement of Revenues, Expenses, and Changes in Net Position* (SRECNP). This difference occurs because the SRECNP is prepared on the accrual basis of accounting and includes noncash items, such as depreciation expenses, whereas the *Statement of Cash Flows* presents cash inflows and outflows without regard to accrual items. The *Statement of Cash Flows* should help readers assess the ability of an institution to generate sufficient cash flows to meet its obligations.

The statement is divided into five sections. The first section, cash flows from operating activities, deals with operating cash flows and shows net cash used by operating activities of the university. The cash flows from noncapital financing activities section reflects cash received and disbursed for purposes other than operating, investing, and capital financing. GASB requires general appropriations from the commonwealth and noncapital gifts be shown as cash flows from noncapital financing activities. Cash flows from capital and related financing activities presents cash used for the acquisition and construction of capital and related items. Plant funds and related long-term debt activities (except depreciation and amortization) are included in cash flows from capital financing activities. Cash flows from investing activities reflect the cash flows generated from investments which include purchases, proceeds, and interest. The last section reconciles the operating income or loss reflected on the *Statement of Revenues, Expenses, and Changes in Net Position* for fiscal year 2024 to net cash used by operating activities.

Net cash used by operating activities was $280.5 million, a $20.4 million increase from the prior year. Total cash inflows from operating activities increased by $170.8 million with the largest inflow increases from grants and contracts ($79.3 million), auxiliary enterprise charges ($39.6 million), and tuition and fees ($33.0 million). Total cash outflows grew by $191.3 million with the major increases in uses of cash being payments to employees and fringe benefits ($145.8 million) and operating expenses ($28.6 million) reflecting the rising cost of providing a high-quality education to the student body. Operating activity uses of cash significantly exceeded operating activity sources of cash due to the classification of state appropriations ($403.1 million) and gifts ($106.3 million) as noncapital financial activities.

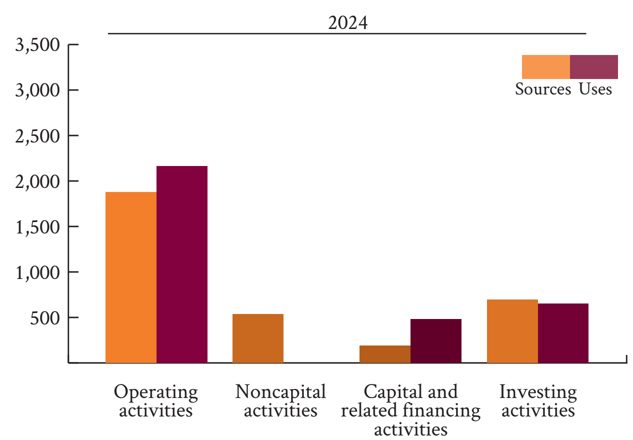
Net cash flows provided by noncapital financing activities increased by $46.6 million. This increase was due to a rise in state appropriations of $37.8 million and an increase of $13.8 million in gifts drawn from the foundation. These increases were offset by a decrease in other non-operating receipts of $6.9 million.

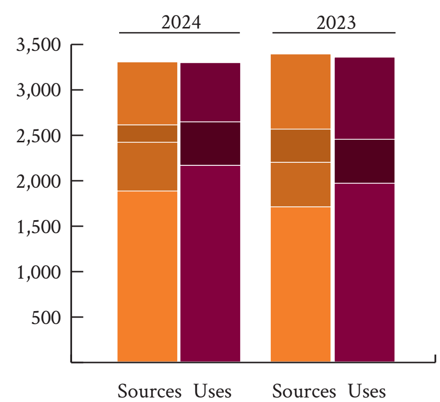
Cash used by capital financing activities increased by $171.7 million. Prior year included proceeds from the issuance of capital debt of $204.7 million while no new debt was issued in current year. Payments for principal and interest related to capital debt grew by $16.4 million. Cash used for the acquisition and construction of capital assets increased $15.9 million and gifts for capital assets decreased by $16.2 million. These uses of cash were offset by increases in capital appropriations of $27.7 million, proceeds from the sale of capital assets of $15.0 million and a decrease in payments on short-term financing of $38.8 million.

Summary of Cash Flows

Summary of Cash Flows
For the years ended June 30, 2024 and 2023
(all dollars in millions)

	2024	2023 *(restated)*	Change Amount	Change Percent
Net cash used by operating activities	$ (280.5)	$ (260.1)	$ (20.4)	(7.8)%
Net cash provided by noncapital activities	536.5	489.9	46.6	9.5 %
Net cash used by capital and related financing activities	(289.5)	(117.8)	(171.7)	(145.8)%
Net cash provided (used) by investing activities	41.7	(76.8)	118.5	154.3 %
Net increase in cash and cash equivalents	8.2	35.2	(27.0)	(76.7) %
Cash and cash equivalents - beginning of year	356.5	321.3	35.2	11.0 %
Cash and cash equivalents - end of year	$ 364.7	$ 356.5	$ 8.2	2.3 %





(The graphs above demonstrate the relationship between sources and uses of cash. The graph on the left shows activity for fiscal year 2024 only, grouped by related sources and uses of cash, while the graph on the right displays that same activity for fiscal years 2024 and 2023 in a stacked format.)

Net cash provided by investing activities increased by $118.5 million as the investment area took advantage of higher interest rates and other investment opportunities.

Economic Outlook

Virginia Tech maintains strong state and federal funding support, which enables the university to pursue its tripartite mission of discovery, learning, and engagement from a strong financial position.

As a public institution, the university is subject to many of the macroeconomic conditions that impact the nation and the Commonwealth of Virginia. The fiscal strength of the Commonwealth of Virginia translated into a significant investment of resources into Virginia Tech for fiscal year 2024, signaling the state's continued interest in supporting higher education and economic growth. With actual state revenue collections outpacing the revised revenue forecast, the commonwealth finished fiscal year 2024 with a $1.2 billion surplus. This surplus provided the commonwealth capacity to further enhance its reserves while providing funding to institutions of higher education to support the Virginia Military Survivors and Dependents Education Program.

In planning for fiscal year 2025, the university closely monitored the budget deliberations of the Virginia General Assembly. The total FY25 general fund allocation from the commonwealth is projected to be $450.7 million, an increase of $37.5 million from the FY24 adjusted budget - which supports 20 percent of the university's budget through general fund appropriations in FY25. In addition to supporting moderate tuition increases and enhancing state-funded student financial aid, the commonwealth continues to invest in health sciences with an investment of $114 million statewide to support life science research initiatives - which will enable the Virginia Tech Patient Research Center.

In parallel, the university continuously explores cost containment measures and strategies for revenue enhancement, including increased philanthropy, industry partnerships, and enrollment to meet the needs of the university and support the state's needs. The Virginia Tech Board of Visitors maintains its authority to establish tuition and fee rates, and significant national, state, and institutional emphasis continues to focus on maintaining a slow rate of tuition growth.

Demand for a Virginia Tech education continues to grow, providing a stable and growing source of revenue to support instructional activities. Tuition and fees now provide 46 percent of the total university budget. Once again, the university experienced the largest number of applications ever for the fall 2024 incoming freshman class. Demand from both talented resident and nonresident students continues to increase. The university's efforts have also diversified the applicant pool with notable increases in interest from first-generation and under-served populations. As the largest producer of STEM-H graduates in the commonwealth, Virginia Tech continues to strengthen Virginia's workforce and knowledge-driven economy.

An additional major input to the university budget is federal support. University leadership monitors federal opportunities to support university program funding, including externally sponsored research, land-grant activities, and student financial aid. Active collaborations with other universities, industry, and foundations, as well as the federal government have facilitated the sharing of expertise across disciplinary boundaries.

While significant focus is placed on sustainable revenue sources, the university also continues to employ cost containment and innovative resource enhancement strategies to successfully advance the institution and its strategic priorities. In comparison to peer institutions, benchmarking demonstrates that Virginia Tech operates an administratively lean organization, directing a larger share of overall resources towards academic activities than peers. The university will continue to employ strategic planning processes to advance its core missions of instruction, research, and public service, and manage resources to achieve strategic priorities. Current priorities include facilitating student access, affordability, and success through the Virginia Tech Advantage program and becoming a top 100 global research university through the Virginia Tech Global Distinction program.

Virginia Tech, along with all other public institutions of higher education in Virginia, continues to benefit from significant decentralized authority from the Commonwealth of Virginia. Restructuring provides flexibility and authority to the participating institutions with the potential for increased efficiencies and cost savings. The university works to leverage these authorities to drive efficiencies for cost savings and better meet the needs of the commonwealth.

The university invests its public funds in accordance with two sections of the *Code of Virginia:* the *Investment of Public Funds Act* and the *Uniform Prudent Management of Institutional Funds Act.* The university continually monitors the valuation of its investments which is overseen by the university's board of visitors. At the end of the fiscal year, the value of the university's investments held with the foundation totaled $605.8 million, an increase of $29.9 million over the preceding year.

Executive management believes that the university will maintain its solid financial foundation and is positioned to continue to advance excellence in teaching, research, and public service. Management's policies of cost containment and investing in strategic initiatives will ensure the university is prepared to manage the changing environment of higher education while continuing to advance the university's strategic plan. The financial position of the university is strong as evidenced by its diversified portfolio of research funding, ranking, strong student demand from increasingly talented students, auxiliary enterprises with high customer satisfaction, growing contributions to endowments, increased assets, and quality debt ratings from Moody's Investors Service Inc. (Aa1) and S&P Global Ratings (AA).

With its thriving and engaged community of students, faculty, and staff, Virginia Tech's future remains bright as one of the commonwealth's largest public universities.

Photo by Noah Alderman/Virginia Tech

Statement of Net Position

As of June 30, 2024, with comparative financial information as of June 30, 2023
(all dollars in thousands)

	2024		2023	
	Virginia Tech	Virginia Tech Foundation	Virginia Tech *(restated)* Note 1	Virginia Tech Foundation
Assets				
Current assets				
Cash and cash equivalents (Note 4)	$ 294,542	$ 72,236	$ 236,876	$ 61,991
Short-term investments (Notes 4, 27)	-	19,409	-	11,947
Accounts and contributions receivable, net (Notes 1, 5, 27)	117,504	83,307	128,160	86,906
Notes receivable, net (Notes 1, 6)	431	406	477	364
Due from Commonwealth of Virginia (Note 10)	15,525	-	15,422	-
Inventories	18,497	159	19,865	146
Prepaid expenses	12,529	767	10,066	840
Other assets	-	10,950	-	15,140
Total current assets	459,028	187,234	410,866	177,334
Noncurrent assets				
Cash and cash equivalents (Note 4)	70,123	56,693	119,618	38,983
Short-term investments (Note 4)	315	-	2,112	-
Due from Commonwealth of Virginia (Note 10)	107,182	-	62,517	-
Accounts and contributions receivable, net (Notes 1, 5, 27)	10,521	98,689	10,196	100,418
Notes receivable, net (Notes 1, 6)	8,046	7,317	5,688	7,989
Net investments in direct financing leases (Note 27)	-	150,636	-	158,101
Irrevocable trusts held by others, net	-	5,467	-	5,060
Long-term investments (Notes 4, 27)	958,198	2,101,533	910,188	1,937,876
Depreciable capital assets, net (Notes 7, 27)	2,334,598	236,366	2,198,506	237,733
Nondepreciable capital assets (Notes 7, 27)	553,301	171,619	486,605	164,520
Intangible assets, net	-	3,459	-	3,581
Other assets	11,397	7,284	10,710	6,745
Total noncurrent assets	4,053,681	2,839,063	3,806,140	2,661,006
Total assets	4,512,709	3,026,297	4,217,006	2,838,340
Deferred outflows of resources (Note 25)	118,484	-	94,322	-
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Note 8)	193,468	12,437	232,184	13,386
Accrued compensated absences (Notes 1, 17)	39,655	767	39,298	682
Unearned revenue (Notes 1, 9)	56,949	5,367	56,882	18,421
Funds held in custody for others	13,991	-	8,577	-
Commercial paper (Note 11)	5,986	-	6,813	-
Long-term subscription-based IT arrangements (Note 16)	6,499	-	5,553	-
Long-term leases payable (Note 15)	20,152	-	19,488	-
Long-term debt payable (Notes 12, 13, 27)	36,670	20,143	32,254	20,089
Other postemployment benefits liabilities (Notes 17, 21)	2,607	-	3,642	-
Other liabilities	-	1,743	673	3,355
Total current liabilities	375,977	40,457	405,364	55,933
Noncurrent liabilities				
Accrued compensated absences (Notes 1, 17)	24,157	77	21,428	68
Unearned revenue	-	13,141	-	3,683
Long-term subscription-based IT arrangements (Note 16)	12,740	-	12,518	-
Long-term leases payable (Note 15)	169,685	-	182,005	-
Long-term debt payable (Notes 12, 13, 27)	535,293	255,491	575,520	266,164
Liabilities under trust agreements	-	19,409	-	20,412
Agency deposits held in trust (Note 27)	-	694,421	-	648,613
Pension liability (Notes 17, 19)	316,090	-	284,863	-
Other postemployment benefits liabilities (Notes 17, 21)	139,945	-	139,070	-
Other liabilities	5,709	7,116	4,880	6,425
Total noncurrent liabilities	1,203,619	989,655	1,220,284	945,365
Total liabilities	1,579,596	1,030,112	1,625,648	1,001,298
Deferred inflows of resources (Note 25)	79,567	-	130,625	-
Net position				
Investment in capital assets	2,112,040	293,800	1,944,325	280,419
Restricted, nonexpendable	14,684	887,009	14,249	824,869
Restricted, expendable				
Scholarships, research, instruction, and other	192,702	610,569	168,944	553,660
Capital projects	134,914	-	42,360	-
Debt service and auxiliary operations	101,481	-	97,074	-
Unrestricted	416,209	204,807	288,103	178,094
Total net position	$ 2,972,030	$ 1,996,185	$ 2,555,055	$ 1,837,042

The accompanying *Notes to Financial Statements* are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position

For the year ended June 30, 2024, with comparative financial information for the year ended June 30, 2023
(all dollars in thousands)

	2024		2023	
	Virginia Tech	Virginia Tech Foundation	Virginia Tech *(restated)* Note 1	Virginia Tech Foundation
Operating revenues				
Student tuition and fees, net (Note 1)	$ 686,428	$ -	$ 646,997	$ -
Gifts and contributions	-	97,612	-	76,668
Federal appropriations	16,628	-	14,361	-
Federal grants and contracts	319,003	-	291,062	-
State grants and contracts	33,200	-	26,784	-
Local grants and contracts (Note 3)	17,076	-	14,602	-
Nongovernmental grants and contracts	63,000	-	59,433	-
Sales and services of educational activities	33,606	-	30,737	-
Auxiliary enterprise revenue, net (Note 1)	360,257	28,768	343,380	28,146
Other operating revenues	8,685	75,659	15,954	72,228
Total operating revenues	1,537,883	202,039	1,443,310	177,042
Operating expenses				
Instruction	522,066	2,290	487,469	4,180
Research	435,588	12,283	395,611	10,094
Public service	105,132	6,161	101,779	6,173
Academic support	147,780	45,008	130,181	31,525
Student services	35,155	-	33,044	-
Institutional support	103,396	68,124	91,051	58,000
Operation and maintenance of plant	91,393	19,301	100,446	17,990
Student financial assistance	37,839	44,839	36,274	39,504
Auxiliary enterprises	300,592	17,973	272,399	17,406
Depreciation and amortization (Note 7)	174,983	12,242	162,181	11,665
Other operating expenses	-	10,311	-	15,352
Total operating expenses	1,953,924	238,532	1,810,435	211,889
Operating loss	(416,041)	(36,493)	(367,125)	(34,847)
Non-operating revenues (expenses)				
State appropriations (Note 24)	403,155	-	365,331	-
Gifts	107,435	-	92,968	-
Coronavirus relief funding	1	-	7,443	-
Non-operating grants and contracts	263	-	384	-
Federal student financial aid (Pell)	26,820	-	24,780	-
Investment income, net	88,818	21,211	60,267	28,351
Net gain (loss) on investments	-	96,371	-	71,520
Interest expense on subscription-based IT arrangements	(521)	-	(216)	-
Interest expense on long-term leases	(6,871)	-	(6,482)	-
Interest expense on debt related to capital assets	(17,969)	(8,324)	(15,527)	(8,693)
Other non-operating revenue	10,457	-	16,484	-
Net non-operating revenues (expenses)	611,588	109,258	545,432	91,178
Income before other revenues, expenses, gains, or losses	195,547	72,765	178,307	56,331
Change in valuation of split interest agreements	-	4,133	-	2,528
Capital appropriations (Note 24)	115,470	-	43,550	-
Capital grants and gifts (Note 10)	105,664	22,139	169,214	18,971
Gain on disposal of capital assets	294	7,168	154	118
Additions to permanent endowments	-	58,546	-	40,471
Other revenues (expenses)	-	(5,608)	-	3,342
Total other revenues, expenses, gains, and losses	221,428	86,378	212,918	65,430
Increase in net position	416,975	159,143	391,225	121,761
Net position—beginning of year, as restated (Note 1)	2,555,055	1,837,042	2,163,830	1,715,281
Net position—end of year	$ 2,972,030	$ 1,996,185	$ 2,555,055	$ 1,837,042

The accompanying *Notes to Financial Statements* are an integral part of this statement.

Statement of Cash Flows

For the year ended June 30, 2024, with comparative financial information as of June 30, 2023
(all dollars in thousands)

	2024	2023 *(restated)* Note 1
Cash flows from operating activities		
Tuition and fees	$ 683,642	$ 650,608
Federal appropriations	17,235	13,723
Grants and contracts	439,902	360,642
Sales and services of education departments	33,606	30,737
Auxiliary enterprise charges	367,521	327,937
Other operating receipts	9,034	15,954
Payments for operating expenses	(494,410)	(465,831)
Payments to employees and fringe benefits	(1,300,987)	(1,155,208)
Payments for scholarships and fellowships	(37,839)	(36,274)
Loans issued to students	(5,157)	(5,752)
Collection of loans to students	1,503	5,573
Direct lending receipts	169,567	158,893
Direct lending disbursements	(169,597)	(158,897)
Scholarship and other miscellaneous custodial receipts	153,901	141,039
Scholarship and other miscellaneous custodial disbursements	(148,457)	(143,215)
Net cash used by operating activities	(280,536)	(260,071)
Cash flows from noncapital financing activities		
State appropriations	403,160	365,326
Non operating grants and contracts	263	384
Federal student financial aid (Pell)	26,820	24,780
Gifts for other than capital purposes	106,261	92,469
Other non-operating receipts	1	6,939
Net cash provided by noncapital financing activities	536,505	489,898
Cash flows from capital financing activities		
Capital appropriations	42,238	14,529
Gifts for capital assets	128,693	144,863
Proceeds from issuance capital debt	-	204,665
Proceeds from the sale of capital assets	16,864	1,826
Acquisition and construction of capital assets	(387,477)	(371,539)
Proceeds (payments) short-term financing	(827)	(39,636)
Principal paid on capital-related debt	(60,763)	(49,405)
Interest paid on capital-related debt	(28,229)	(23,117)
Net cash used by capital financing activities	(289,501)	(117,814)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	660,524	803,106
Interest on investments	33,264	23,933
Purchases of investments	(652,085)	(903,876)
Net cash provided (used) by investing activities	41,703	(76,837)
Net increase (decrease) in cash and cash equivalents	8,171	35,176
Cash and cash equivalents - Beginning of year	356,494	321,318
Cash and cash equivalents - End of year	$ 364,665	$ 356,494

The accompanying *Notes to Financial Statements* are an integral part of this statement.

Statement of Cash Flows, continued

For the year ended June 30, 2024, with comparative financial information as of June 30, 2023
(all dollars in thousands)

	2024	2023 *(restated)* Note 1
Reconciliation of net operating expenses to net cash used by operating activities		
Operating loss	$ (416,041)	$ (367,125)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation expense	174,983	162,181
Changes in assets, deferred outflows, liabilities, and deferred inflows		
Receivables, net	11,983	(38,868)
Inventories	1,368	(2,239)
Prepaid and other assets	(2,591)	13,503
Other postemployment benefits asset	(559)	2,134
Notes receivable, net	(2,312)	4,718
Deferred outflow for VRS pension	(26,854)	13,383
Deferred outflow for other postemployment benefits	1,701	346
Accounts payable and other liabilities	(5,393)	(694)
Accrued payroll	(11,438)	27,404
Compensated absences	3,086	6,941
Unearned revenue	67	(5,337)
Pension liability	38,468	69,162
Other postemployment benefits liability	(160)	(7,249)
Federal loan contributions refundable	(1,342)	(4,897)
Deferred inflow for VRS pension	(31,472)	(109,998)
Deferred inflow for other postemployment benefits	(20,451)	(21,751)
Deferred inflow for long-term leases	1,007	491
Scholarship and other miscellaneous custodial accounts, net	5,414	(2,176)
Total adjustments	135,505	107,054
Net cash used by operating activities	$ (280,536)	$ (260,071)
Noncash investing, capital, and financing activities		
Change in accounts receivable related to non-operating income	$ (1,618)	$ (9,111)
Capital assets acquired through in-kind donations as a component of capital gifts and grants income	$ 5,854	$ 542
Change in fair value of investments recognized as a component of investment income	$ 27,358	$ 30,466
Change in value of interest payable affecting interest paid	$ (493)	$ 1,854
Capital assets acquired through the assumption of a liability (long-term leases and SBITAs)	$ 18,133	$ 124,918
Change in interest receivable affecting interest income	$ 902	$ 2,666
Loss on disposal of capital assets	$ (12,081)	$ (1,473)
Amortization of bond premium/discount and gain/loss on debt refunding	$ (2,375)	$ (2,610)
Retainage payable	$ 18,261	$ 16,864
Change in pension and OPEB liability recognized as a component of non-operating revenue	$ 7,241	$ 15,354

The accompanying *Notes to Financial Statements* are an integral part of this statement.

Photo by Christina Franusich/Virginia Tech

Notes to Financial Statements

Contents

1. Summary of Significant Accounting Policies

Reporting Entity

Virginia Polytechnic Institute and State University is a public land-grant university serving the Commonwealth of Virginia, the nation, and the world community. The discovery and dissemination of new knowledge are central to its mission. Through its focus on teaching and learning, research and discovery, and outreach and engagement, the university creates, conveys, and applies knowledge to expand personal growth and opportunity, advance social and community development, foster economic competitiveness, and improve the quality of life.

The university includes all funds and entities over which the university exercises or can exercise oversight authority for financial reporting purposes.

Under Section 2100 of the GASB codification, Virginia Tech Foundation Inc. (VTF or the foundation) is included as a component unit of the university.

A separate report is prepared for the Commonwealth of Virginia that includes all agencies, boards, commissions, and authorities over which the commonwealth exercises or can exercise oversight authority. The university is a component unit of the Commonwealth of Virginia and is included in the basic financial statements of the commonwealth.

Virginia Tech Foundation Inc.

The foundation is a legally separate, tax-exempt organization established in 1948 to receive, manage, and disburse private gifts in support of Virginia Tech programs. A twenty- to thirty-five-member board of directors and four ex-officio positions govern the foundation. The rector of the Virginia Tech Board of Visitors, the president of the university, the president of the alumni association, and the president of the athletic fund serve as ex-officio members. Three additional positions from the university have been elected to the board: the executive vice president and chief operating officer; the senior vice president for Advancement; and the vice president for Campus Planning, Infrastructure, and Facilities. Officers are elected by a vote of the membership of the foundation.

The foundation serves the university by generating significant funding from private sources and proactively managing its assets to provide funding that supplements state appropriations. It supplies additional operating support to colleges and departments, helps fund major building projects, and provides seed capital for new university initiatives. Although the university does not control the timing or amount of receipts from the foundation, the majority of resources or income that the foundation holds and invests is restricted by the donors to activities of the university. Because these restricted resources held by the foundation can only be used by or for the benefit of the university, the foundation is considered a component unit of the university. It is discretely presented in the financial statements. The administrative offices of Virginia Tech Foundation Inc. are located at University Gateway Center, 902 Prices Fork Road, Blacksburg, Virginia 24061.

During this fiscal year, the foundation distributed $127,127,000 to the university for both restricted and unrestricted purposes.

Financial Statement Presentation

GASB Statement 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities,* issued November 1999, establishes accounting and financial reporting standards for public colleges and universities within the financial reporting guidelines of GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.* The standards are designed to provide financial information that responds to the needs of three groups of primary users of general-purpose external financial reports: the citizenry, legislative and oversight bodies, and investors and creditors. The university is required under this guidance to include *Management's Discussion and Analysis*, and basic financial statements, including notes, in its financial statement presentation.

Basis of Accounting

For financial reporting purposes, the university is considered a special-purpose government entity engaged only in business-type activities. Accordingly, the university's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Cash Equivalents

For purposes of the statements of net position and cash flows, the university considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

Short-term Investments

Short-term investments include securities with an original maturity over 90 days but less than or equal to one year at the time of purchase.

Investments

GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as modified by GASB Statement 59, and GASB Statement 72, *Fair Value Measurement and Application*, require that purchased investments, interest-bearing temporary investments classified with cash, and investments received as gifts be recorded at fair value (see Note 4). Changes in unrealized gain or loss on the carrying value of the investments are reported as a part of investment income in the *Statement of Revenues, Expenses, and Changes in Net Position*.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also include amounts due from federal, state, and local governments, as well as nongovernmental sources, in connection with reimbursement of allowable expenses made according to the university's grants and contracts. Accounts receivable are recorded net of allowance for doubtful accounts. Accounts receivable include amounts owed from lessees for the present service capacity of university assets. Lease receivables are recognized when the net present value of future minimum lease payments is $50,000 or greater. See Note 5 for a detailed list of accounts receivable amounts by major categories.

Notes Receivable

Notes receivable consist of amounts due from the Health Professional Student Loan Program, other student loans, and loans to affiliated organizations. See Note 6 for a list of notes receivable amounts by major categories.

Inventories

Inventories are stated at the lower of cost or market value (primarily first-in, first-out method) and consist mainly of expendable supplies for operations of auxiliary enterprises and fuel for the physical plant.

Prepaid Expenses

Prepaid expenses are expenses for future fiscal years that were paid in advance of June 30, 2024. Payments of expenses that extend beyond fiscal year 2025 are classified as noncurrent assets. Prepaid expenses consist primarily of library serial subscriptions, information technology contracts, property leases, and insurance.

Noncurrent Cash and Investments

Noncurrent cash and investments are reported as restricted because restrictions change the nature or normal understanding of the availability of the asset. These cash and investments include those restricted for the acquisition or construction of capital assets, those kept legally separate for the payment of principal and interest as required by debt covenants, unspent debt proceeds, and other restricted investments to make debt service payments or purchase other noncurrent assets.

Capital Assets

Capital assets consisting of land, buildings, infrastructure, and equipment are stated at appraised historical cost or actual cost where determinable. Construction in progress, equipment in process, and software in development are capitalized at actual cost as expenses are incurred. Library materials are valued using published average prices for library acquisitions, and livestock is stated at estimated market value. All gifts of capital assets are recorded at acquisition value as of the date of donation.

Intangible right-to-use assets consisting of the right-to-use land, buildings, infrastructure, and equipment are stated at the net present value of future minimum lease payments at the commencement of the lease term. Intangible right-to-use assets are recognized when the net present value of future minimum lease payments is $50,000 or greater. Upfits, tenant improvements, construction, and other renovations are capitalized at actual cost as expenses are incurred.

Subscription-based Information Technology Arrangements (SBITAs) are stated at the net present value of future minimum lease payments at the commencement of the subscription term. SBITA assets are recognized when the net present value of future minimum subscription payments is $50,000 or greater. Implementation costs occurred in the initial implementation stage are capitalized at actual cost as expenses are incurred.

Equipment is capitalized when the estimated useful life is one year or more, and unit acquisition cost is $2,000 or greater or acquisition costs are significant when aggregated. Software is capitalized when the sum of the acquisition and development costs exceeds $100,000. Renovation costs are capitalized when expenses total more than $100,000, the asset value significantly increases, or the useful life is significantly extended. Routine repairs and maintenance are charged to operating expenses in the year the expense is incurred.

Depreciation is computed using the straight-line method over the useful life of the assets. The useful life is 40 to 60 years for buildings, 10 to 50 years for infrastructure and land improvements, 10 years for library books, and 3 to 30 years for fixed and movable equipment. Right-to-use lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Amortization expense is combined with depreciation expense in the *Statement of Revenues, Expenses, and Changes in Net Position*. Livestock is not depreciated, as it tends to appreciate over the university's normal holding period.

Special collections are not capitalized due to the collections being: (1) held for public exhibition, education, or research in the furtherance of public service rather than financial gain; (2) protected, kept unencumbered, cared for, and preserved; and (3) subject to university policy requiring the proceeds from the sales of collection items to be used to acquire other items for collections.

Pensions

The Virginia Retirement System (VRS) State Employees Retirement Plan and the Virginia Law Officers' Retirement System (VaLORS) Retirement Plan are single-employer pension plans that are treated like cost-sharing plans. To measure the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS plan and the VaLORS plan, and the additions to/deductions from the VRS plan's and the VaLORS plan's net fiduciary position have been determined on the same basis as VRS reported them. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable according to the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

Pre-Medicare Retiree Healthcare Plan – Pre-Medicare Retiree Healthcare is a single-employer defined benefit plan that is treated like a cost-sharing plan for financial reporting purposes. This program was established by Title 2.2, Chapter 28, *Code of Virginia* for retirees who are not yet eligible to participate in Medicare. It is the same health insurance program offered to active employees and managed by the Virginia Department of Human Resources Management. After retirement, Virginia Tech no longer subsidizes the retiree's premium; however, since both active employees and retirees are included in the same pool for determining health insurance rates, retiree rates are effectively lower than what might otherwise be available outside of this benefit.

Group Life Insurance – The Virginia Retirement System (VRS) Group Life Insurance (GLI) program is a multiple-employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI program was established under §51.1-500 et seq., *Code of Virginia*, as amended, which provides the authority under which benefit terms are established or may be amended. The GLI program is a defined benefit plan that provides a group life insurance benefit for employees of participating employers.

State Employee Health Insurance Credit Program – The Virginia Retirement System (VRS) State Employee Health Insurance Credit (HIC) program is a single-employer plan that is presented as a multiple-employer, cost-sharing plan. The HIC program was established under §51.1-1400 et seq., *Code of Virginia*, as amended, which provides the authority under which benefit terms are established or may be amended. The HIC program is a defined benefit plan that provides credit toward the cost of health insurance coverage for retired state employees.

Line of Duty Act Program – The Virginia Retirement System (VRS) Line of Duty Act (LODA) program is a multiple-employer, cost-sharing plan. The LODA program was established under §9.1-400 et seq., *Code of Virginia*, as amended, which provides the authority under which benefit terms are established or may be amended. The LODA program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as public safety officers. In addition, health insurance benefits are provided to eligible survivors and family members.

Virginia Retirement System Disability Insurance Program – The Virginia Retirement System (VRS) Disability Insurance Program (Virginia Sickness and Disability Program, VSDP) is a single-employer plan that is presented as a multiple-employer, cost-sharing plan. The VSDP program was established under §51.1-1100 et seq., *Code of Virginia*, as amended, which provides the authority under which benefit terms are established or may be amended. The VSDP program is a managed care program that provides sick leave, family and personal leave, and short-term and long-term disability benefits for state police officers, state employees, and VaLORS employees.

For measuring the net liability of these OPEB programs, their expenses, deferred outflows and inflows of resources, information about their fiduciary net positions, and additions to or deductions from their net fiduciary positions have been determined on the same basis as reported by VRS. In addition, benefit payments for these programs are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Accrued Compensated Absences

Certain salaried employees' attendance and leave regulations make provisions for the granting of a specified number of days of leave with pay each year. The amount reflects all unused vacation leave and sabbatical leave, as well as the amount payable upon termination under the Commonwealth of Virginia's sick leave payout policy. The applicable share of employer-related taxes payable on the eventual termination payments is also included. The university's liability and expense for the amount of leave earned by employees, but not taken, as of June 30, 2024 is recorded in the *Statement of Net Position* and is included in the various functional categories of operating expenses in the *Statement of Revenues, Expenses, and Changes in Net Position*.

Unearned Revenues

Unearned revenue represents revenue collected but not earned as of June 30, 2024, primarily composed of revenue for grants and contracts, prepaid athletic ticket sales, and prepaid student tuition and fees. Summer Session I tuition and fees received during the fiscal year are considered earned at the end of the refund period, approximately June 15th of each year. Tuition and fees received before year-end for Summer Session II are unearned and recognized as revenue in the next fiscal year. Summer Session III is twelve weeks long and spans across fiscal years 2024 and 2025. The tuition and fees received for Summer Session III are considered half earned by June 30th, and half unearned and recognized as revenue in the next fiscal year. See Note 9 for a detailed list of unearned revenue amounts.

Funds Held in Custody for Others

Funds held in custody for others represent funds held by the university on behalf of others as a result of agency relationships with various groups and organizations.

Noncurrent Liabilities

Noncurrent liabilities include: (1) the principal amounts of revenue bonds payable, notes payable, and finance purchase obligations with maturities greater than one year; (2) long-term lease obligations; (3) pension plan liabilities; (4) SBITA obligations; (5) OPEB liabilities; and (6) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year.

Net Position

The university's net position is classified as follows:

Net investment in capital assets – Net investment in capital assets represents the university's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted component of net position, expendable – The expendable category of the restricted component of net position includes resources for which the university is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted component of net position, nonexpendable – The nonexpendable category of the restricted component of net position is comprised of endowment and similar type funds where donors or other external sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested to produce present and future income to be expended or added to principal.

Unrestricted component of net position – Unrestricted net position represents resources derived from student tuition and fees, state appropriations, recoveries of facilities and administrative (indirect) costs, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to educational departments and general operations of the university and may be used at the discretion of the university's board of visitors to meet current expenses for any lawful purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the university's policy is to apply the expense towards restricted resources before unrestricted resources.

Income Taxes

The university is considered an agency of the Commonwealth of Virginia and, as such, is exempt from federal income tax under Section 115(a) of the Internal Revenue Code.

Classifications of Revenues and Expenses

The university has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowance; (2) sales and services of auxiliary enterprises, net of scholarship allowance; (3) most federal, state, local and nongovernmental grants and contracts and federal appropriations; and (4) interest on institutional student loans.

Non-operating revenues – Non-operating revenues are revenues received for which goods and services are not provided. State appropriations, gifts, and other revenue sources that are defined as non-operating revenues by GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* are included in this category.

Operating and non-operating expenses – Non-operating expenses include interest on debt related to the purchase of capital assets and losses on disposal of capital assets. All other expenses are classified as operating expenses.

Scholarship Allowance

Student tuition and fees, certain auxiliary revenues, and student financial assistance expenses are reported net of scholarship allowance in the *Statement of Revenues, Expenses, and Changes in Net Position*. Scholarship allowance is the difference between the stated charge for goods and services provided by the university and the amount paid by students and third parties making payments on the students' behalf. For the fiscal year ending June 30, 2024, the scholarship allowance for student tuition and fee revenue and auxiliary enterprise revenue totaled $176,096,000 and $39,767,000, respectively. Scholarship allowance to students is reported using the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). The alternative method is an algorithm that computes scholarship allowance on a university-wide basis rather than on an individual student basis.

Implementation of GASB Statement 99

In April 2022, GASB issued Statement 99 *Omnibus 2022*. The requirements in paragraphs 4–10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are applicable to the university and are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The university adopted GASB Statement 99 in fiscal year 2024 with an implementation date of July 1, 2023. There was no impact on the financial statements.

Implementation of GASB Statement 100

In June 2022, GASB issued Statement 100 *Accounting Changes and Error Corrections*. This statement requires comprehensive disclosures regarding accounting changes and error corrections to include the following: nature and reason for accounting change or error correction; quantitative impact on the financial statements; for errors, a description of the error and how it was discovered and corrective actions taken; cumulative effect on opening balance of net position in a tabular format. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The university adopted GASB Statement 100 in fiscal year 2024 with an implementation date of July 1, 2023 identifying material error corrections related to leases and SBITAs for which the prior period has been restated.

Implementation of GASB *Implementation Guide 2021-1 Question 5.1*

In May 2021, GASB issued *Implementation Guide 2021-1 Question 5.1* effective for reporting periods beginning after June 15, 2023. The provisions of this implementation guide indicate that an institution should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. The guidance is to be applied retroactively and requires a restatement of the beginning net position. The university adopted *Implementation Guide 2021-1 Question 5.1* in fiscal year 2024 with an implementation date of July 1, 2023. The fiscal year ending June 30, 2023 has been restated.

Below is a table disclosing the restatements due to error corrections and the pooled assets implementation *(all dollars in thousands)*:

	Beginning Balances Original	Error Corrections: Lease Corrections	Error Corrections: SBITA Corrections	Pooled Assets Implementation	Beginning Balances Restated
Depreciable capital assets, net	$ 2,150,406	$ (4,172)	$ 187	$ 52,085	$ 2,198,506
Nondepreciable capital assets	$ 486,171	$ -	$ -	$ 434	$ 486,605
Accounts payable and accrued liabilities	$ 232,199	$ (16)	$ 1	$ -	$ 232,184
Long-term subscription-based IT arrangements, current	$ 5,410	$ -	$ 143	$ -	$ 5,553
Long-term leases payable, current	$ 19,821	$ (333)	$ -	$ -	$ 19,488
Long-term subscription-based IT arrangements	$ 12,798	$ -	$ (280)	$ -	$ 12,518
Long-term leases payable	$ 186,130	$ (4,125)	$ -	$ -	$ 182,005
Investment in capital assets	$ 1,891,196	$ 286	$ 324	$ 52,519	$ 1,944,325
Restricted scholarships, research, instruction, and other	$ 168,946	$ (2)	$ -	$ -	$ 168,944
Unrestricted net position	$ 288,086	$ 18	$ (1)	$ -	$ 288,103

The change in leases was primarily caused by a reduction of liability owed to the foundation based on corrected debt recovery schedules on the North End Center building and garage. The SBITA changes were due to various corrections related to prior period subscriptions. The procedures for capturing and identifying SBITAs have been expanded to mitigate these changes.

Comparative Data

The university presents its financial information on a comparative basis. The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, the prior-year information should be read in conjunction with the university's financial statements for the year ended June 30, 2023, from which the summarized information was derived. Prior reports can be found at www.controller.vt.edu/financialreporting.html.

2. Related Parties

In addition to the component unit discussed in Note 1, Virginia Tech also has related parties that were not considered significant. These financial statements do not include the assets, liabilities, and net position of the related parties that support university programs. The related parties of the university are: Virginia Tech Services Inc., Virginia Tech Alumni Association, Virginia Tech Athletic Fund Inc., Virginia Tech Intellectual Properties Inc., Virginia Tech Corps of Cadets Alumni Inc., Virginia Tech Applied Research Corporation, Virginia Tech Innovations Corporation, Virginia Tech India Research and Education Forum, and any of the subsidiaries of these corporations.

The organizations are related to the university by affiliation agreements. These agreements require an annual audit to be performed by independent auditors. Affiliated organizations that hold no financial assets and certify all financial activities or transactions through the Virginia Tech Foundation Inc. may be exempt from the independent audit requirement. Exemption requirements are met by Virginia Tech Alumni Association, Virginia Tech Athletic Fund Inc., and Virginia Tech Corp of Cadets Alumni Inc. They are therefore not required to have an annual audit. Virginia Tech Services Inc., Virginia Tech Intellectual Properties Inc., Virginia Tech Applied Research Corporation, Virginia Tech Innovations Corporation, and Virginia Tech India Research and Education Forum are required to have an annual audit. Auditors have examined the financial records of these organizations and a copy of their audit reports have been or will be provided to the university.

3. Local Government Support

The university, through the operation of its Cooperative Extension Service, maintains offices in numerous cities and counties throughout the Commonwealth of Virginia. Personnel assigned to these locations receive a portion of their compensation from local governments. Also included in the expenses of these extension offices are unit support services, which include such items as rent, telephone, supplies, equipment, and extension program expenses. The estimated amount contributed by the various local governments totaled $14,054,000 in 2024, and has been included in revenues and expenses of the accompanying financial statements. The university received other local government support of $3,022,000 in 2024.

4. Cash, Cash Equivalents, and Investments

The following information is provided with respect to the university's cash, cash equivalents, and investments as of June 30, 2024. The following risk disclosures are required by GASB Statement 40, *Deposit and Investment Risk Disclosures:*

Custodial credit risk (category 3 deposits and investments) – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The university had no category 3 deposits or investments for 2024.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. GASB Statement 40 requires the disclosure of the credit quality rating on any investments subject to credit risk.

Concentration of credit risk – The risk of loss attributed to the magnitude of a government's investment in a single issuer is referred to as concentration of credit risk. GASB Statement 40 requires disclosure of any issuer with which more than five percent of total investments are held. More than five percent of the university's investments are in the Federal Home Loan Banks (FHLB). These comprise 6% of the university's total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

Additionally, the university's investment policy requires that each individual portfolio within all three tiers' allocations be diversified as specified in the contracts with each investment manager. The limitation shall not apply to securities of the U.S. Government, an agency thereof, U.S. Government sponsored enterprises, securities fully insured or fully guaranteed by the U.S. Government, or money market funds.

Interest rate risk – This is the risk that interest rate changes will adversely affect the fair value of an investment. GASB Statement 40 requires disclosure of maturities for any investments subject to interest rate risk. The university's Policy Governing the Investment of University Funds establishes three investment categories, Educational and General Funds and Working Capital, managed by external investment firms, and Strategic Investments managed by the foundation. Education and General Funds are short-duration and the university's primary liquidity and Working Capital is longer-duration and secondary liquidity. Strategic Investments are long-duration investments and not considered operating liquidity. The maximum maturity and duration limits are specified in the terms and conditions of the contract with each investment manager.

Foreign currency risk – This risk refers to the possibility that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The university had no foreign investments or deposits for 2024.

Cash and Cash Equivalents

Cash deposits held by the university are maintained in accounts that are collateralized in accordance with the *Virginia Security for Public Deposits Act*, Section 2.2-4400, et seq., *Code of Virginia*. Cash and cash equivalents represent cash with the treasurer, cash on hand, certificates of deposit, and temporary investments with original maturities of 90 days or less, and cash equivalents with the Virginia State Non-Arbitrage Program (SNAP®). SNAP® offers a professionally-managed money market mutual fund, which provides a temporary pooled investment vehicle for proceeds pending expenditure, as well as record keeping, depository, and arbitrage rebate calculations. SNAP® complies with all standards of GASB Statement 79, *Certain External Investment Pools and Pool Participants.* SNAP® investments are reported using the net asset value per share, which is calculated on an amortized cost basis that provides a net asset value (NAV) per share that approximates fair value. Cash and cash equivalents reporting requirements are defined by GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting.*

Investments

A categorization of university investments follows. Short-term investments have an original maturity of over 90 days but less than or equal to one year. Long-term investments have an original maturity greater than one year.

Summary of investments
As of June 30, 2024
(all dollars in thousands)

	Current Assets	Noncurrent Assets	Total
Cash and cash equivalents	$ 294,542	$ 70,123	$ 364,665
Short-term investments	-	315	315
Long-term investments	-	958,199	958,199
Cash and investments	$ 294,542	$ 1,028,637	1,323,179
Less cash			16,482
Total investments			$ 1,306,697

The investment policy of the university is established by the board of visitors and monitored by the board's Finance and Resource Management Committee. Authorized investments are set forth in the *Investment of Public Funds Act*, Section 2.2-4500 through 2.2-4516, et seq., *Code of Virginia*. Authorized investments include: U.S. Treasury and agency securities, corporate debt securities, asset-backed securities, mortgage-backed securities, AAA rated obligations of foreign governments, banker's acceptances and bank notes, negotiable certificates of deposit, repurchase agreements, commercial paper, and money market funds.

All gifts, local funds, and nongeneral fund reserves and balances that the university determines appropriate and permitted by law may be invested in accordance with the provisions of the *Virginia Uniform Prudent Management of Institutional Funds Act.* These investments include those in the VTF Consolidated Endowment Program which are further managed by the foundation's investment and spending policies.

At the end of fiscal year 2024, the university held $14.7 million of nonexpendable restricted endowments which had net appreciation of $129,000 and is reported on the *Statement of Net Position* in the following categories: Restricted expendable for research ($121,000), Restricted expendable for instruction ($5,000), and Unrestricted ($3,000).

Investments Measured at Fair Value including categorization of credit quality and interest rate risk

Investments held on June 30, 2024

(all dollars in thousands)

	Credit Rating	Less than 1 Year	1-5 Years	6/30/2024	Fair Value Measurement* Level 1	Level 2
Investments by fair value level						
U.S. Treasury and Agency securities [1]	N/A	$ 226,855	$ 37,632	$ 264,487	$ 264,487	$ -
Debt securities						
Corporate bonds and notes	A1	20,241	15,540	35,781	-	35,781
Corporate bonds and notes	A2	13,277	12,164	25,441	-	25,441
Corporate bonds and notes	A3	5,350	22,536	27,886	-	27,886
Corporate bonds and notes	Aa2	3,160	-	3,160	-	3,160
Corporate bonds and notes	Aa3	-	1,499	1,499	-	1,499
Corporate bonds and notes	Aaa	-	4,252	4,252	-	4,252
Corporate bonds and notes	Baa1	-	595	595	-	595
Repurchase agreements	N/A	13,582	-	13,582	-	13,582
Asset backed securities	Aaa	22,997	37,129	60,126	-	60,126
Asset backed securities [2]	AAA	14,461	33,473	47,934	-	47,934
Asset backed securities	NR	3,203	-	3,203	-	3,203
Federal agency securities						
Unsecured bonds and notes	Aaa	90,223	25,456	115,679	-	115,679
Mortgage backed securities	Aaa	1,939	20,177	22,116	-	22,116
Money market and mutual funds						
Money market funds	N/A	168	-	168	168	-
Mutual funds	N/A	5,040	-	5,040	5,040	-
Total investments by fair value level		420,496	210,453	630,949	$ 269,695	$ 361,254
Investments measured at net asset value (NAV)						
Deposits with VTF		5,607	-	5,607		
Dairymen's Equity w/o specific maturity		-	-	63		
Investments w/o specific maturities, held with VTF		-	-	605,834		
Total investments measured at NAV		5,607	-	611,504		
Investments not measured at fair value						
Money market funds	AAA-mf	52,088	-	52,088		
Virginia SNAP® funds [2]	AAAm	12,156	-	12,156		
Total investments not measured at fair value		64,244	-	64,244		
Total investments		$ 490,347	$ 210,453	$ 1,306,697		

**Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.*

(1) Credit quality ratings are not required for U.S. Government securities that are explicitly guaranteed by the U.S. Government.
(2) Rating provided by Standard & Poor's Financial Services. All other ratings provided by Moody's Investor Service.

Investments measured at NAV are as follows:	Balance at 6/30/2024	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Deposits with VTF [a]	$ 5,607	N/A	quarterly	90 days
Dairymen's Equity without specific maturity [b]	$ 63	N/A	N/A	N/A
Investments without specific maturities, held with VTF [c]	$ 605,834	N/A	quarterly	90 days

(a) The amount represents earnings that are to be transferred to the university or reinvested upon instruction.
(b) The amount represents the university's membership in the Dairymen's Farmer Cooperative.
(c) The amount represents university funds invested with the Virginia Tech Foundation (see Note 27).

5. Accounts Receivable

Accounts receivable as of June 30, 2024
(all dollars in thousands)

Current receivables		
Grants and contracts	$	81,941
Student tuition and fees		5,591
Accrued investment interest		3,944
Federal appropriations		31
Long-term leases receivable		111
Auxiliary enterprises and other operating activities		28,782
Total current receivables before allowance		120,400
Less allowance for doubtful accounts		2,896
Net current accounts receivable		117,504
Noncurrent receivables		
Capital gifts, grants, and other receivables		7,707
Long-term leases receivable		1,989
Accrued investment interest		717
Build America Bond interest receivable		108
Total noncurrent receivables		10,521
Total receivables	$	128,025

Long-term leases receivable

Leases receivable represent the university's contractual receipts for the right-to-use the present service capacity of its assets. These receivables are for cell tower leases on the Blacksburg main campus. The university's lease agreements for cell towers typically have an initial term of 10 years with five-year renewal options. The weighted average discount rate on the university's receivable leases is 3.60%.

The university leases indirectly to cell carriers through a ground lease with a subsidiary of the foundation and directly with cell carriers. The university's present receivable portfolio does not contain provisions for variable payments based on the university's future performance or usage of the underlying assets. Additionally, university's present receivable portfolio does not contain provisions for residual value guarantees. The university had no impairment losses on its lease receivable portfolio in fiscal year 2024.

Future Lease Payments Receivable
For fiscal years subsequent to 2024
(all dollars in thousands)

	Principal	Interest	Total
2025	$ 111	$ 73	$ 184
2026	118	69	187
2027	127	65	192
2028	135	61	196
2029	116	57	173
2030-2034	607	225	832
2035-2039	367	129	496
2039-2044	245	80	325
2045-2049	274	25	299
Total future payments receivable	$ 2,100	$ 784	$ 2,884

6. Notes Receivable

Notes receivable consists of the following as of June 30, 2024
(all dollars in thousands)

Current notes receivable		
VTT LLC operating and equipment loan	$	246
Brookings student loan programs		138
Other short-term loans		67
Total current notes receivable		451
Less allowance for doubtful accounts		20
Net current notes receivable		431
Noncurrent notes receivable		
VTT LLC operating and equipment loan		4,106
VT ARC line of credit		2,376
Brookings student loan programs		849
Health Professional student loan program		628
Other short-term loans		214
Total noncurrent notes receivable		8,173
Less allowance for doubtful accounts		127
Net noncurrent notes receivable		8,046
Total notes receivable	$	8,477

Photo by Luke Hayes/Virginia Tech

7. Capital Assets

A summary of changes in capital assets for the year ending June 30, 2024
(all dollars in thousands)

	Beginning Balance *(restated)* Note 1	Additions	Retirements	Ending Balance
Depreciable capital assets				
Buildings	$ 2,439,326	$ 189,491	$ 26,916	$ 2,601,901
Buildings - financed purchase	13,952	-	-	13,952
Moveable equipment	812,246	98,884	39,438	871,692
Capitalized software and other intangible assets	40,078	3,246	3,925	39,399
Fixed equipment	179,207	10,335	1,559	187,983
Fixed equipment - financed purchase	659	-	-	659
Infrastructure	146,556	5,702	-	152,258
Library books	79,305	646	76	79,875
Right-to-use intangible assets				
Land	4,442	-	-	4,442
Buildings	260,404	10,242	1,017	269,629
Equipment	2,218	-	2,145	73
Infrastructure	181	-	-	181
Subscription-based IT arrangements	29,472	9,448	863	38,057
Total depreciable capital assets, at cost	4,008,046	327,994	75,939	4,260,101
Less accumulated depreciation and amortization				
Buildings	851,780	62,675	12,986	901,469
Buildings - financed purchase	5,232	581	-	5,813
Moveable equipment	566,616	63,669	37,226	593,059
Capitalized software and other intangible assets	32,975	3,370	3,826	32,519
Fixed equipment	107,139	7,613	995	113,757
Fixed equipment - financed purchase	247	-	-	247
Infrastructure	112,992	3,235	-	116,227
Library books	74,689	816	76	75,429
Right-to-use intangible assets				
Land	613	236	-	849
Buildings	46,049	23,587	903	68,733
Equipment	1,615	560	2,145	30
Infrastructure	92	31	-	123
Subscription-based IT arrangements	9,501	8,610	863	17,248
Total accumulated depreciation and amortization	1,809,540	174,983	59,020	1,925,503
Total depreciable capital assets, net of accumulated depreciation and amortization	2,198,506	153,011	16,919	2,334,598
Non-depreciable capital assets				
Land	49,652	540	1,920	48,272
Livestock	392	140	-	532
Equipment in process	17,452	13,224	16,743	13,933
Construction in progress	419,109	264,454	193,078	490,485
Lease renovation in progress	-	28	-	28
Subscription-based IT arrangements in development	-	51	-	51
Total non-depreciable capital assets	486,605	278,437	211,741	553,301
Total capital assets, net of accumulated deprecation and amortization	$ 2,685,111	$ 431,448	$ 228,660	$ 2,887,899

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2024
(all dollars in thousands)

Accounts payable	$ 45,437
Accounts payable, capital projects	29,900
Accrued salaries and wages payable	99,870
Retainage payable	18,261
Total current accounts payable and accrued liabilities	$ 193,468

Retainage payable represents funds held by the university as retainage on various construction contracts for work performed. Funds retained will be remitted as agreed upon satisfactory completion of the projects.

9. Unearned Revenue

Unearned revenue consists of the following at June 30, 2024
(all dollars in thousands)

Grants and contracts	$ 24,485
Prepaid tuition and fees	11,603
Prepaid athletic events	14,769
Other, primarily auxiliary enterprises	6,092
Total unearned revenue	$ 56,949

10. Commonwealth Capital Reimbursement Programs and Capital Gifts

The commonwealth has established several programs to provide state-supported institutions of higher education with bond proceeds for financing the acquisition and replacement of instructional and research equipment and facilities. During fiscal year 2024, funding has been provided to the university from three programs (21st Century program, Central Maintenance Reserve program, and the Equipment Trust Fund program) managed by the Virginia College Building Authority (VCBA). The VCBA issues bonds and uses the proceeds to reimburse the university and other institutions of higher education for expenses incurred in the acquisition of equipment and facilities. The university also receives capital funding for equipment and facilities from private gifts, grants, and contracts.

The *Statement of Revenues, Expenses, and Changes in Net Position* includes the amounts listed below for the year ended June 30, 2024, in "Capital Grants and Gifts" line item for equipment and facilities. Part of the funding for these programs is a receivable from the commonwealth at June 30, 2024 as shown in the subsequent paragraph *(all dollars in thousands)*:

VCBA 21st Century program	$	74,760
VCBA Equipment Trust Fund program		15,680
Private gifts		12,072
Grants and contracts		3,152
	$	105,664

The line items, "Due from the Commonwealth of Virginia", on the *Statement of Net Position* for the year ended June 30, 2024, include pending reimbursements from the following programs *(all dollars in thousands)*:

	Current		Noncurrent	
VCBA Equipment Trust Fund program	$	15,525	$	-
Capital appropriations		-		104,677
VCBA 21st Century program		-		2,505
	$	15,525	$	107,182

11. Short-term Debt

In August of 2021, the Virginia Tech Board of Visitors authorized the university to issue its own commercial paper on a tax-exempt or taxable basis in an aggregate principal amount of up to $175 million. J.P. Morgan is the university's dealer and BNY Investments is the issuing and paying agent. This short-term debt finances capital projects on an interim basis pending long-term bond financing.

At June 30, 2024, the amount outstanding was $5,986,000. The days-to-maturity is nine days with an interest rate of 5.48%.

	Beginning Balance	Additions	Reductions	Ending Balance
Taxable	$ 6,813	$ 72,319	$ 73,146	$ 5,986

12. Summary of Long-term Indebtedness

Bonds Payable

The university has issued two categories of bonds pursuant to Article X, Section 9, Constitution of Virginia.

Section 9(d) bonds are revenue bonds which are limited obligations of the university, payable exclusively from pledged general revenues, and which are not legal or moral debts of the Commonwealth of Virginia. Pledged general revenues include general fund appropriations, student tuition and fees, facilities and administrative (indirect) cost recoveries, auxiliary enterprise revenues, and other revenues not required by law to be used for another purpose. The university has issued section 9(d) bonds directly through underwriters and also participates in the Public Higher Education Financing Program (Pooled Bond Program) created by the Virginia General Assembly in 1996. Through the Pooled Bond Program, the Virginia College Building Authority (VCBA) issues section 9(d) bonds with the proceeds used to purchase debt obligations (notes) of the university and other institutions of higher education. The notes are secured by pledged general revenues of the university.

Section 9(c) bonds are general obligation revenue bonds issued by the Commonwealth of Virginia on behalf of the university and secured by the net revenues of the completed project and the full faith, credit, and taxing power of the Commonwealth of Virginia.

Bond covenants related to some of these bonds, both 9(c) and 9(d), require the use of established groups of funds called systems. The Virginia Tech Foundation Inc. and investment firms BNY Investments and Merganser Capital Management hold these funds in trust for managing the net revenues and debt service of certain university auxiliaries. The revenue bonds issued by the Dormitory and Dining Hall System, the Athletic Facilities System, the University Services System (includes Career and Professional Development, Center for the Arts, Health Services, Recreational Sports, Student Engagement and Campus Life, Cultural and Community Centers, Student Organizations, and the VT Rescue Squad), and the Utility System (includes Virginia Tech Electric Service) are secured by a pledge of each system's net revenues generated from student or customer fees, and are further secured by the pledged general revenues of the university.

Notes Payable

Notes payable are debt obligations between VCBA and the university. VCBA issues bonds through the Pooled Bond Program and uses the proceeds to purchase debt obligations (notes) on behalf of the university. The notes are secured by the pledged general revenues of the university.

Finance Purchase Obligation

The university has a finance purchase obligation with the Virginia Tech Foundation Inc. for the Kentland Farm dairy complex. Under the terms of the lease agreement, ownership of the property will be transferred to the university at the end of the lease. The university accounted for the financed purchases as additions to capital assets in the year of the agreement and recorded a corresponding finance purchase obligation in long-term debt, both of which are included in the *Statement of Net Position* as of June 30, 2024.

Revolving Lines of Credit

The university has executed revolving lines of credit with Truist Bank ($308,000,000), Wells Fargo Bank N.A. ($35,000,000), and The First Bank and Trust Company ($30,000,000). The agreement with Truist Bank includes a standby liquidity support agreement to provide a revolving line of credit as liquidity to support the university's commercial paper program with a maximum principal amount of $175,000,000. As of June 30, 2024, the maximum principal amount available was $373,000,000 and there were no advances outstanding on these revolving lines of credit.

Long-term Debt Payable Activity
As of June 30, 2024
(all dollars in thousands)

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Bonds payable					
Section 9(c) general obligation revenue bonds	$ 262,391	$ 4,436	$ 20,638	$ 246,189	$ 15,695
Section 9(d) revenue bonds	79,001	-	4,658	74,343	4,870
Notes payable	255,822	-	14,436	241,386	15,575
Finance purchase obligations	10,560	-	515	10,045	530
Total long-term debt payable	$ 607,774	4,436	40,247	$ 571,963	$ 36,670
Less current year debt defeasance		4,436	4,841		
Total additions and retirements, net of current year defeasance		$ -	$ 35,406		

Future Principal Commitments
For fiscal years subsequent to 2024
(all dollars in thousands)

	Section 9(c) Bonds	Section 9(d) Bonds	Notes Payable	Finance Purchase Obligations	Total Long-term Debt Payable
2025	$ 15,695	$ 4,870	$ 15,575	$ 530	$ 36,670
2026	16,897	4,745	15,805	560	38,007
2027	17,581	4,910	15,495	585	38,571
2028	16,791	5,055	14,865	605	37,316
2029	15,840	5,170	15,200	640	36,850
2030 - 2034	56,845	28,130	63,755	3,630	152,360
2035 - 2039	51,515	14,915	41,865	3,495	111,790
2040 - 2044	26,275	4,540	22,445	-	53,260
2045 - 2049	7,340	-	15,950	-	23,290
2050 - 2053	5,315	-	5,600	-	10,915
Unamortized premiums (discounts)	16,095	2,008	14,831	-	32,934
Total future principal requirements	$ 246,189	$ 74,343	$ 241,386	$ 10,045	$ 571,963

Future Interest Commitments
For fiscal years subsequent to 2024
(all dollars in thousands)

	Section 9(c) Bonds	Section 9(d) Bonds	Notes Payable	Finance Purchase Obligations	Total Long-term Debt Payable
2025	$ 8,735	$ 2,037	$ 8,152	$ 441	$ 19,365
2026	8,071	1,899	7,666	414	18,050
2027	7,346	1,741	7,161	386	16,634
2028	6,575	1,600	6,637	366	15,178
2029	5,977	1,478	6,077	335	13,867
2030 - 2034	22,175	5,117	22,684	1,237	51,213
2035 - 2039	13,200	1,338	12,714	399	27,651
2040 - 2044	5,264	116	6,391	-	11,771
2045 - 2049	2,420	-	2,552	-	4,972
2050 - 2053	540	-	459	-	999
Total future interest requirements	$ 80,303	$ 15,326	$ 80,493	$ 3,578	$ 179,700

Future Principal Commitments by System
For fiscal years subsequent to 2024
(all dollars in thousands)

	Section 9(c) Bonds	Section 9(d) Bonds	Notes Payable	Finance Purchase Obligations	Total Long-term Debt Payable
Athletic system					
Principal	$ -	$ 33,790	$ -	$ -	$ 33,790
Unamortized premiums (discounts)	-	(2)	-	-	(2)
Total for athletic system	-	33,788	-	-	33,788
Dormitory and dining hall system					
Principal	186,055	33,660	16,535	-	236,250
Unamortized premiums (discounts)	13,465	1,900	1,089	-	16,454
Total for dormitory and dining hall system	199,520	35,560	17,624	-	252,704
Electric service utility system					
Principal	-	2,820	-	-	2,820
Unamortized premiums (discounts)	-	84	-	-	84
Total for utility system	-	2,904	-	-	2,904
University services system					
Principal	-	2,065	78,630	-	80,695
Unamortized premiums (discounts)	-	26	5,134	-	5,160
Total for university services system	-	2,091	83,764	-	85,855
All systems					
Principal	186,055	72,335	95,165	-	353,555
Unamortized premiums (discounts)	13,465	2,008	6,223	-	21,696
Total for all systems	199,520	74,343	101,388	-	375,251
Other nonsystem debt					
Principal	44,039	-	131,390	10,045	185,474
Unamortized premiums (discounts)	2,630	-	8,608	-	11,238
Total for other nonsystem debt	46,669	-	139,998	10,045	196,712
Total future principal requirements	$ 246,189	$ 74,343	$ 241,386	$ 10,045	$ 571,963

13. Detail of Long-term Indebtedness

As of June 30, 2024
(all dollars in thousands)

	Interest Rates	Maturity	Principal Payable	Unamortized Premium (Discount)	Ending Balance
Bonds Payable					
Revenue bonds - Section 9(d)					
Athletic system					
Series 2015B, issued $510	2.50% - 3.50%	2035	$ 510	$ (2)	$ 508
Series 2021, issued $40	2.15%	2036	40	-	40
Series 2021, issued $21,825 - refunding 2012B note payable	0.70% - 2.55%	2041	20,755	-	20,755
Series 2021, issued $7,055 - refunding 2010B note payable	0.70% - 2.55%	2041	6,710	-	6,710
Series 2021, issued $6,075 - refunding 2016A note payable	0.70% - 2.55%	2041	5,775	-	5,775
Total athletic system			33,790	(2)	33,788
Dormitory and dining hall system					
Series 2015A, issued $51,425	3.00% - 5.00%	2035	33,660	1,900	35,560
Electric service utility system					
Series 2015D, issued $4,390	2.75% - 4.00%	2035	2,820	84	2,904
University services system					
Recreational Sports auxiliary					
Series 2015C, issued $3,280	2.75% - 3.50%	2035	2,065	26	2,091
Total revenue bonds			72,335	2,008	74,343
General obligation revenue bonds - Section 9(c)					
Dormitory and dining hall system					
Series 2024B, issued $2,836 - refunding series 2013B	5.00%	2027	2,836	107	2,943
Series 2024B, issued $1,294 - refunding series 2013B	5.00%	2027	1,294	49	1,343
Series 2015B, issued $10,671 - partial refunding series 2008B	5.00%	2028	4,955	706	5,661
Series 2016B, issued $24,200 - partial refunding series 2009B	2.00% - 5.00%	2029	13,530	1,851	15,381
Series 2016B, issued $2,310 - partial refunding series 2009B	2.00% - 5.00%	2029	1,290	177	1,467
Series 2010A, issued $34,650	3.75% - 4.40%	2030	12,715	197	12,912
Series 2020B, issued $13,070 - refunding series 2011A	0.55% - 1.41%	2031	10,415	32	10,447
Series 2020A, issued $84,305	1.63% - 4.00%	2040	74,350	6,525	80,875
Series 2022A, issued $40,100	4.13% - 5.00%	2042	40,100	2,356	42,456
Series 2022A, issued $25,405	4.13% - 5.00%	2042	24,570	1,465	26,035
Total dormitory and dining hall system			186,055	13,465	199,520
Other nonsystem general obligation revenue bonds					
Parking facilities					
Series 2024B, issued $94 - refunding series 2013B	5.00%	2026	94	2	96
Series 2015B, issued $921 - partial refunding series 2008B	5.00%	2028	420	61	481
Series 2010A, issued $745	3.75% - 4.40%	2030	265	4	269
Series 2016B, issued $18,890 - partial refunding series 2009B	2.00% - 5.00%	2034	13,885	1,350	15,235
Series 2022A, issued $29,375	4.13% - 5.00%	2052	29,375	1,213	30,588
Total other nonsystem general obligation revenue bonds			44,039	2,630	46,669
Total general obligation revenue bonds			230,094	16,095	246,189
Total bonds payable			$ 302,429	$ 18,103	$ 320,532
Notes Payable					
Dormitory and dining hall system					
Series 2014B, issued $340 - partial refunding series 2005	4.00%	2026	$ 205	$ 7	$ 212
Series 2021B, issued $795 - partial refunding series 2012A	0.48% - 0.94%	2028	610	-	610
Series 2010A, issued $9,650	4.75% - 5.50%	2031	4,300	153	4,453
Series 2021A, issued $980 - partial refunding series 2010A	2.00% - 3.00%	2033	980	84	1,064
Series 2018A, issued $11,505	4.00% - 5.00%	2039	9,595	845	10,440
Series 2021B, issued $845 - partial refunding series 2018A	2.50% - 2.60%	2041	845	-	845
Total dormitory and dining hall system			16,535	1,089	17,624
University services system					
Career Services auxiliary					
Series 2021A, issued $600 - refunding series 2010B	5.00%	2025	305	18	323
Center for the Arts auxiliary					
Series 2010A, issued $19,445	4.75% - 5.60%	2036	11,715	303	12,018
Series 2021A, issued $1,530 - partial refunding series 2010A	2.00%	2038	1,530	46	1,576
Series 2021B, issued $15,655 - refunding series 2011A	0.48% - 2.40%	2039	14,705	3	14,708
Health Services and Recreational Sports auxiliaries					
Series 2015B, issued $800 - partial refunding series 2009A	3.00% - 5.00%	2029	490	51	541
Series 2016A, issued $7,945 - partial refunding series 2009B	3.00% - 5.00%	2030	5,150	702	5,852
Series 2016A, issued $2,780 - partial refunding series 2009B	3.00% - 5.00%	2030	1,805	246	2,051
Series 2021B, issued $175 - partial refunding series 2015B	1.33% - 1.53%	2031	175	-	175
Series 2021B, issued $1,510 - partial refunding series 2016A	1.53% - 1.71%	2032	1,510	-	1,510
Series 2021B, issued $530 - partial refunding series 2016A	1.53% - 1.71%	2032	530	-	530
Series 2023A, issued $40,715	4.00% - 5.00%	2048	40,715	3,765	44,480
Total university services system			78,630	5,134	83,764
Other nonsystem notes payable					
Boiler pollution controls					
Series 2016A, issued $375 - partial refunding series 2006A	3.00%	2027	375	11	386
Series 2021B, issued $235 - partial refunding series 2014B	0.94% - 1.13%	2029	235	-	235

	Interest Rates	Maturity	Principal Payable	Unamortized Premium (Discount)	Ending Balance
Notes Payable, continued					
Campus heating plant					
Series 2014B, issued $1,790 - partial refunding series 2007A	4.00% - 5.00%	2026	515	57	572
Series 2016A, issued $575 - partial refunding series 2007A	3.00% - 5.00%	2028	575	39	614
Series 2016A, issued $3,625 - partial refunding series 2009B	3.00% - 5.00%	2030	2,355	320	2,675
Series 2021B, issued $485 - partial refunding series 2014B	1.13% - 1.33%	2030	485	-	485
Series 2021B, issued $690 - partial refunding series 2016A	1.53% - 1.71%	2032	690	-	690
Chiller plant					
Series 2021B, issued $5,315 - refunding series 2011A	0.48% - 1.91%	2034	4,825	1	4,826
Corps Leadership and Military Sciences Building					
Series 2023A, issued $28,600	4.00% - 5.00%	2053	28,600	2,702	31,302
Data and Decision Sciences Building					
Series 2023A, issued $8,850	4.00% - 5.00%	2043	8,615	1,064	9,679
Goodwin Hall					
Series 2021B, issued $8,320 - partial refunding series 2011A	0.48% - 1.71%	2032	7,380	3	7,383
Hitt Hall					
Series 2023A, issued $11,065	4.00% - 5.00%	2043	11,065	1,362	12,427
Holden Hall					
Series 2019A, issued $7,920	2.25% - 5.00%	2040	6,845	653	7,498
Holtzman Alumni Center and Skelton Conference Center					
Series 2021B, issued $10,840 - refunding series 2012A	0.48% - 1.81%	2033	9,540	3	9,543
ICTAS II					
Series 2016A, issued $8,345 - partial refunding series 2009B	3.00% - 5.00%	2030	5,410	737	6,147
Innovation Campus					
Series 2023A, issued $4,995	4.00% - 5.00%	2053	4,995	344	5,339
Kelly Hall					
Series 2016A, issued $3,180 - partial refunding series 2006A	3.00%	2027	3,180	94	3,274
Life Sciences I Facility					
Series 2021B, issued $1,235 - partial refunding series 2012A	0.48%	2025	585	1	586
Series 2014B, issued $1,005 - partial refunding series 2005	4.00%	2026	615	20	635
Steger Hall					
Series 2021A, issued $6,785 - refunding series 2010B	5.00%	2030	5,975	1,036	7,011
Veterinary medicine instruction addition					
Series 2021B, issued $6,355 - partial refunding series 2012B	0.48% - 1.81%	2033	5,825	2	5,827
Virginia Tech Carilion biosciences addition					
Series 2017A and 2017B, issued $24,630	2.75% - 3.30%	2038	19,440	122	19,562
Series 2018B, issued $3,965	3.54% - 5.00%	2039	3,265	37	3,302
Total other nonsystem notes payable			131,390	8,608	139,998
Total notes payable			$ 226,555	$ 14,831	$ 241,386
Finance Purchase Obligation - Kentland Farm dairy complex			$ 10,045	$ -	$ 10,045

14. Long-term Debt Defeasance

Current Year

The university and the Commonwealth of Virginia, on behalf of the university, issued $4,429,000 of 9(c) general obligations bonds to refund $4,500,000 of 9(c) general obligation bonds during fiscal year 2024. The resulting net gain of $71,000 will be amortized over the life of the new debt. For financial reporting purposes, these bonds are considered an in-substance defeasance and have therefore been removed from the long-term debt payable presented in the *Statement of Net Position*. The assets in escrow have similarly been excluded. The details of each refunded debt issue are presented below.

Long-term Debt Defeasance
Debt issues refunded as of June 30, 2024
(all dollars in thousands)

	Debt Refunded	Refunding Debt Issued	Accounting Gain (Loss)	Present Value Rate	Reduction in Debt Service	Reduction in Debt Service Discounted at Present Value
Section 9(c) general obligation revenue bonds						
Series 2024B, issued $94	$ 97	$ 94	$ 3	2.87%	$ 2	$ 2
Series 2024B, issued $1,294	1,342	1,294	48	2.87%	37	35
Series 2024B, issued $2,836	2,943	2,836	107	2.87%	83	79
Premiums (Discounts)	459	212	247			
Other accounting activity related to debt refunding	(341)	(7)	(334)			
Total for 9(c) general obligation revenue bonds	$ 4,500	4,429	$ 71		$ 122	$ 116
Debt issuance costs		7				
Total refunding debt issued		$ 4,436				

14. Long-term Debt Defeasance, continued

Prior Years

In prior fiscal years, the university excluded from its financial statements the assets in escrow and the debt payable which were defeased in-substance in accordance with GASB Statement 7, *Advance Refundings Resulting in the Defeasance of Debt*. For the year ending June 30, 2024, there were $3,490,000 in bonds and notes outstanding considered defeased.

GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, reclassifies losses and gains on defeased debt to deferred outflows of resources or deferred inflows of resources, respectively. The tables below provide detail on the unamortized gains and losses included in the deferred outflows of resources and deferred inflows of resources by bond category for defeased outstanding debt from prior years.

Deferred Outflows for Debt Defeasance
As of June 30, 2024
(all dollars in thousands)

	Beginning Balance	Additions	Retirements	Ending Balance
Bonds payable				
Section 9(c) general obligation revenue bonds	$ 1,259	$ -	$ 618	$ 641
Section 9(d) revenue bonds	554	-	83	471
Notes payable	1,608	-	290	1,318
Total deferred outflows for debt defeasance	$ 3,421	$ -	$ 991	$ 2,430

Deferred Inflows for Debt Defeasance
As of June 30, 2024
(all dollars in thousands)

	Beginning Balance	Additions	Retirements	Ending Balance
Bonds payable				
Section 9(c) general obligation revenue bonds	$ 383	$ 71	$ 68	$ 386
Section 9(d) revenue bonds	138	-	35	103
Notes payable	835	-	110	725
Total deferred inflows for debt defeasance	$ 1,356	$ 71	$ 213	$ 1,214

15. Long-term Leases Payable

Long-term leases represent the university's obligation to pay owners for the right to use the present service capacity of their assets. These obligations are primarily for leases of facilities, such as office space in the North End Center and Gilbert Place buildings, the North End Center parking garage, space in the Children's National Hospital, and various office and laboratory spaces in the Virginia Tech Corporate Research Center. The university's lease agreements for facilities typically range from 3-20 years, with renewal options equal to the base term appearing more frequently in the university's 3-5-year lease agreements. The university utilizes stated or implicit rates when determinable, otherwise the university uses its incremental borrowing rate to discount lease payments. The weighted-average remaining lease term on the university's leases is 14.0 years with a weighted-average discount rate of 3.53%.

The university's leases are primarily with the foundation and its subsidiaries. Several of the university's leases with the foundation operate on a non-profit basis, in which the rent owed is trued up at regular intervals to ensure cost-only rent. These agreements make up the majority of the university's 20-year leases. The university's long-term lease portfolio does not contain provisions for variable payments based on the university's future performance or usage of the underlying assets. Additionally, university's long-term lease portfolio does not contain provisions for residual value guarantees. The university had no impairment losses on its long-term lease portfolio in fiscal year 2024. The university has two commitments totaling $0.7 million commencing in fiscal year 2025.

Long-Term Leases Payable Activity
As of June 30, 2024
(all dollars in thousands)

	Beginning Balance *(restated)* Note 1	Additions	Retirements	Terminations	Ending Balance	Current Portion
Land	$ 2,851	$ -	$ 265	$ -	$ 2,586	$ 205
Building	197,914	8,769	19,407	111	187,165	19,891
Equipment	635	-	611	-	24	24
Infrastructure	93	-	31	-	62	32
Total long-term leases payable	$ 201,493	$ 8,769	$ 20,314	$ 111	$ 189,837	$ 20,152

15. Long-term Leases Payable, continued

Future Principal Commitments
For fiscal years subsequent to 2024
(all dollars in thousands)

	Land	Building	Equipment	Infrastructure	Total
2025	$ 205	$ 19,891	$ 24	$ 32	$ 20,152
2026	211	18,915	-	30	19,156
2027	187	18,301	-	-	18,488
2028	186	14,526	-	-	14,712
2029	196	13,146	-	-	13,342
2030-2034	954	44,536	-	-	45,490
2035-2039	327	37,409	-	-	37,736
2040-2044	51	16,510	-	-	16,561
2045-2049	70	2,828	-	-	2,898
2050-2054	95	1,103	-	-	1,198
2055-2059	104	-	-	-	104
Total future principal requirements	$ 2,586	$ 187,165	$ 24	$ 62	$ 189,837

Future Interest Commitments
For fiscal years subsequent to 2024
(all dollars in thousands)

	Land	Building	Equipment	Infrastructure	Total
2025	$ 86	$ 6,190	$ 1	$ 1	$ 6,278
2026	80	5,516	-	-	5,596
2027	73	4,861	-	-	4,934
2028	68	4,288	-	-	4,356
2029	61	3,848	-	-	3,909
2030-2034	207	14,452	-	-	14,659
2035-2039	75	7,117	-	-	7,192
2040-2044	49	1,828	-	-	1,877
2045-2049	40	419	-	-	459
2050-2054	26	33	-	-	59
2055-2059	9	-	-	-	9
Total future interest requirements	$ 774	$ 48,552	$ 1	$ 1	$ 49,328

16. Long-term Subscription-based Information Technology Arrangements Payable

Subscription-based information technology arrangements (SBITAs) represent the university's obligation to pay vendors for access to their information technology. The university's SBITAs typically range from 2-7 years, with renewal options ranging from 1-3 years. The university utilizes stated or implicit rates when determinable, otherwise the university uses its incremental borrowing rate to discount lease payments. The weighted-average remaining SBITA term on the university's SBITAs is 4.0 years with a weighted-average discount rate of 2.82%.

Some contracts in the university's SBITA portfolio contain provisions for variable payments based upon usage of the underlying assets or additional licenses. The university paid $0.6 million in variable payments during fiscal year 2024. The university had no impairment losses on its SBITA portfolio in fiscal year 2024. The university has no commitments for SBITAs commencing in fiscal year 2025.

Future Principal Commitments
As of June 30, 2024
(all dollars in thousands)

	Beginning Balance *(restated)* Note 1	Additions	Retirements	Terminations	Ending Balance	Current Portion
Long-term SBITAs payable	$ 18,071	$ 9,364	$ 8,196	$ -	$ 19,239	$ 6,499

Future Principal Commitments
For fiscal years subsequent to 2024
(all dollars in thousands)

2025	$ 6,499
2026	4,742
2027	3,137
2028	1,952
2029	1,459
2030	1,450
Total future principal payments	$ 19,239

Future Interest Commitments
For fiscal years subsequent to 2024
(all dollars in thousands)

2025	$ 342
2026	593
2027	244
2028	153
2029	91
2030	45
Total future interest payments	$ 1,468

17. Changes in Other Liabilities

A summary of the changes in other liabilities for the year ended June 30, 2024
(all dollars in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Accrued compensated absences	$ 60,726	$ 57,600	$ 54,514	$ 63,812	$ 39,655
Federal student loan program contribution refundable	1,343	-	673	670	-
Net pension liability	284,863	31,227	-	316,090	-
Other post employment benefits	142,712	-	160	142,552	2,607
Total other liabilities	$ 489,644	$ 88,827	$ 55,347	$ 523,124	$ 42,262

18. Capital Improvement Commitments

The amounts listed in the following tables represent the value of obligations remaining on capital improvement project contracts. These obligations are for future effort and as such have not been accrued as expenses or liabilities on the university's financial statements. Outstanding contractual commitments for capital improvement projects at June 30, 2024 *(all dollars in thousands)*:

Capital commitments by project

Randolph Hall replacement	$ 56,305
Innovation Campus	32,251
Undergraduate science laboratory building	6,143
Livestock and poultry research facility	4,785
New building for Pamplin College of Business	4,780
Student wellness improvements	4,612
ADA and code compliance improvements	1,842
Other projects	2,132
Total	$ 112,850

Capital commitments by funding source

Capital appropriations	$ 63,895
Private gifts	37,916
VCBA 21st Century bonds to be paid by the commonwealth	6,316
Auxiliary enterprise funds	4,630
Other funds	93
Total	$ 112,850

Photo by Lee Friesland/Virginia Tech

19. Pension Plans

Plan Descriptions

All full-time, salaried, permanent employees of state agencies are automatically covered by the VRS State Employee Retirement Plan (SERP) or the Virginia Law Officers' Retirement System (VaLORS) retirement plans upon employment, unless they are eligible faculty and choose to enroll in the optional retirement program described in Note 20. These plans are single employer plans treated as cost-sharing plans for financial reporting purposes. These plans are administered by the Virginia Retirement System (VRS or 'the System') along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees in the VRS State Employee Retirement Plan – Plan 1, Plan 2, and Hybrid; and two different benefit structures for covered employees in the VaLORS Retirement Plan – Plan 1 and Plan 2. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are described below.

Retirement Plan Provisions by Plan Structure

Plan 1

Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.

Plan 2 Same as Plan 1.

Hybrid Retirement Plan

The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.

- The defined benefit component is based on a member's age, service credit, and average final compensation at retirement using a formula.
- The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.
- In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

Eligible Members

Eligible Members – Plan 1

Employees are in Plan 1 if their membership date is before July 1, 2010, they were vested as of January 1, 2013, and they have not taken a refund. VRS Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Eligible Members – Plan 2

Employees are in Plan 2 if their membership date is on or after July 1, 2010, to December 31, 2013, and they have not taken a refund, or their membership date is prior to July 1, 2010, and they were not vested as of January 1, 2013. Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Eligible Members – Hybrid Plan

Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

- Full-time permanent, salaried state employees*
- Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.

*Some state employees are not eligible to participate in the Hybrid Retirement Plan. They include members of the Virginia Law Officers' Retirement System (VaLORS), and employees eligible for an optional retirement plan (ORP) who have prior service under Plan 1 or Plan 2. These employees must select Plan 1 or Plan 2 (as applicable) or the ORP plan.

Retirement Contributions

Retirement Contributions - Plan 1

State employees, excluding state elected officials, and optional retirement plan participants, contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payments.

Retirement Contributions - Plan 2 Same as Plan 1.

Retirement Contributions - Hybrid Plan

A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.

Service Credit

Service Credit - Plan 1

Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Service Credit - Plan 2 Same as Plan 1.

Service Credit - Hybrid Plan

Defined Benefit Component: Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Defined Contributions Component: Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

Vesting

Vesting - Plan 1

Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.

Vesting - Plan 2 Same as Plan 1.

Vesting - Hybrid Plan

Defined Benefit Component: Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.

Defined Contributions Component: Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.

- After two years, a member is 50% vested and may withdraw 50% of employer contributions.
- After three years, a member is 75% vested and may withdraw 75% of employer contributions.
- After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.

Distribution is not required, except as governed by law.

Calculating the Benefit

Calculating the Benefit - Plan 1

The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction factor is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.

Calculating the Benefit - Plan 2

See definition under Plan 1.

Calculating the Benefit - Hybrid Plan

Defined Benefit Component: See definition under Plan 1.

Defined Contribution Component: The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

Average Final Compensation

Average Final Compensation - Plan 1

A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.

Average Final Compensation - Plan 2

A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.

Average Final Compensation - Hybrid Plan

Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.

Service Retirement Multiplier

Service Retirement Multiplier - Plan 1

For SERP, the retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for VaLORS employees is 1.70% or 2.00%.

Service Retirement Multiplier - Plan 2

For SERP, same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013. The retirement multiplier for VaLORS employees is 2.00% applied to hazardous duty service and 1.70% applied to non-hazardous duty service and no supplement.

Service Retirement Multiplier - Hybrid Plan

Defined Benefit Component: SERP - The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. VaLORS - Not applicable.

Defined Contribution Component: Not applicable.

Normal Retirement Age

Normal Retirement Age - Plan 1

For SERP, age 65. For VaLORS, age 60.

Normal Retirement Age - Plan 2

For SERP, normal Social Security retirement age. For VaLORS, same as Plan 1.

Normal Retirement Age - Hybrid Plan

Defined Benefit Component: SERP - Same as Plan 2; VaLORS - Not applicable.

Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Earliest Unreduced Retirement Eligibility

Earliest Unreduced Retirement Eligibility - Plan 1

For SERP, age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. For VaLORS, age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.

Earliest Unreduced Retirement Eligibility - Plan 2

For SERP, normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90. For VaLORS, same as Plan 1.

Earliest Unreduced Retirement Eligibility - Hybrid Plan

Defined Benefit Component: SERP – Same as Plan 2; VaLORS - Not applicable.

Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Earliest Reduced Retirement Eligibility

Earliest Reduced Retirement Eligibility - Plan 1

For SERP, age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. For VaLORS, age 50 with at least five years of service credit.

Earliest Reduced Retirement Eligibility - Plan 2

For SERP, age 60 with at least five years (60 months) of service credit. For VaLORS, same as Plan 1.

Earliest Reduced Retirement Eligibility - Hybrid Plan

Defined Benefit Component: SERP – Same as Plan 2. For VaLORS - Not applicable.

Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Cost-of-Living Adjustment (COLA) in Retirement

Cost-of-Living Adjustment (COLA) in Retirement - Plan 1

The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.

Eligibility:

For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.

For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.

Exceptions to COLA Effective Dates:

The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:

- The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
- The member retires on disability.
- The member retires directly from short-term or long-term disability.
- The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.
- The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.

The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.

Cost-of-Living Adjustment (COLA) in Retirement - Plan 2

The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. Eligibility rules and exceptions are the same as Plan 1.

Cost-of-Living Adjustment (COLA) in Retirement - Hybrid Plan

Defined Benefit Component: The COLA is the same as Plan 2. The eligibility rules and exceptions are the same as Plan 1 and Plan 2.

Defined Contribution Component: Not applicable.

19. Pension Plans, continued

Disability Coverage

Disability Coverage - Plan 1

For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.

Disability Coverage - Plan 2

For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.

Disability Coverage - Hybrid Plan

State employees (including Plan 1 and Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VSDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.

Purchase of Prior Service

Purchase of Prior Service - Plan 1

Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior service credit counts toward vesting, eligibility for retirement, and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.

Purchase of Prior Service - Plan 2

Same as Plan 1.

Purchase of Prior Service - Hybrid Plan

Defined Benefit Component: Same as Plan 1, with the exception that Hybrid Retirement Plan members are ineligible for ported service.

Defined Contribution Component: Not applicable.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each state agency's contractually required contribution rate for the year ended June 30, 2024 was 14.46% of covered employee compensation for employees in the VRS State Employee Retirement Plan. For employees in the VaLORS Retirement Plan, the contribution rate was 24.60% of covered employee compensation. These rates were the final approved General Assembly rate which were based on an actuarially determined rates from an actuarial valuation as of June 30, 2021. The actuarially determined rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from Virginia Tech to the VRS State Employee Retirement Plan were $48,281,000 and $44,415,000 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions from Virginia Tech to the VaLORS Retirement Plan were $801,000 and $746,000 for the years ended June 30, 2024 and June 30, 2023, respectively. In June 2023, the commonwealth made a special contribution of approximately $73.0 million to SERP and $6.6 million to VaLORS. These special payments were authorized by Chapter 2 of the *Acts of Assembly of 2022, Special Session I*, as amended by Chapter 769, *2023 Acts of Assembly Reconvened Session*, and are classified as special employer contributions. Virginia Tech's proportionate share for the VRS State Employee Retirement Plan and for the VaLORS Retirement Plan are reflected in other non-operating revenue on the *Statement of Revenues, Expenses, and Changes in Net Position*.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2024, Virginia Tech reported a liability of $310,820,000 for its proportionate share of the VRS State Employee Retirement Plan Net Pension Liability and a liability of $5,270,000 for its proportionate share of the VaLORS Retirement Plan Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. Virginia Tech's proportion of the Net Pension Liability was based on Virginia Tech's actuarially determined employer contributions to the pension plans for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, Virginia Tech's proportion of the VRS State Employee Retirement Plan was 6.143% as compared to 6.172% at June 30, 2022. At June 30, 2023, Virginia Tech's proportion of the VaLORS Retirement Plan was 0.815% as compared to 0.748% at June 30, 2022.

For the year ended June 30, 2024, Virginia Tech recognized pension expense of $22,522,000 for the VRS State Employee Retirement Plan and $1,262,000 for the VaLORS Retirement Plan. Since there was a change in proportionate share between June 30, 2022 and June 30, 2023, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, Virginia Tech reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources *(all dollars in thousands):*

	SERP		VaLORS	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 30,191	$ 8,979	$ 116	$ -
Net difference between projected and actual earnings on pension plan investments	-	21,753	-	224
Change in assumptions	4,106	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	4,645	181	-
Employer contributions subsequent to the measurement date	48,281	-	801	-
Total	$ 82,578	$ 35,377	$ 1,098	$ 224

A total of $49,082,000 ($48,281,000 for SERP and $801,000 for VaLORS) reported as deferred outflows of resources related to pensions resulting from Virginia Tech's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows *(all dollars in thousands):*

Year ended June 30,	SERP	VaLORS
2025	$ (8,975)	$ 132
2026	$ (16,561)	$ (282)
2027	$ 23,669	$ 215
2028	$ 787	$ 8
2029	$ -	$ -

Actuarial Assumptions

VRS State Employee Retirement Plan (SERP)

The total pension liability for the VRS State Employee Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates (SERP)

Pre-Retirement:	Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years
Post-Retirement:	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females
Post-Disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years
Beneficiaries and Survivors:	Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females
Mortality Improvement:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the standard rates

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on the VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

VaLORS Retirement Plan

The total pension liability for the VaLORS Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates (VaLORS)

Pre-Retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the standard rates

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

19. Pension Plans, continued

Net Pension Liability

The net pension liability (NPL) is calculated separately for each plan and represents that particular plan's total pension liability determined in accordance with GASB Statement 67, less that plan's fiduciary net position. As of June 30, 2023, NPL amounts for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan are as follows *(all dollars in thousands)*:

	SERP	VaLORS
Total Pension Liability	$ 28,411,528	$ 2,577,980
Plan Fiduciary Net Position	23,351,827	1,931,061
Employers' Net Pension Liability (Asset)	$ 5,059,701	$ 646,919
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.19%	74.91%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement 67 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
Expected inflation			2.50%
Expected arithmetic nominal return*			8.25%

* The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14% including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by Virginia Tech for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 102% of the actuarially determined contribution rate. From July 1, 2023, on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Virginia Tech's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents Virginia Tech's proportionate share of the VRS State Employee Retirement Plan (SERP) and the VaLORS Retirement Plan net pension liability using the discount rate of 6.75%, as well as what Virginia Tech's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate *(all dollars in thousands)*:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Virginia Tech's proportionate share of the VRS SERP Net Pension Liability	$ 517,952	$ 310,820	$ 137,465
Virginia Tech's proportionate share of the VaLORS Net Pension Liability	$ 8,057	$ 5,270	$ 2,994

Pension Plan Fiduciary Net Position

Detailed information about the VRS State Employee Retirement Plan's Fiduciary Net Position or the VaLORS Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

The amount of payables outstanding to the VRS State Employee Retirement Plan (SERP) and the VaLORS Retirement Plan at June 30, 2024, was approximately $2.8 million for legally required contributions into the plans.

20. Defined Contribution Plans

Optional Retirement Plans

Full-time faculty and certain administrative staff may participate in optional retirement plans as authorized by the *Code of Virginia* rather than the VRS retirement plan. These optional retirement plans are defined contribution plans offered through Teachers Insurance and Annuity Association of America – College Retirement Equities Fund (TIAA-CREF), and Fidelity Investments Tax-Exempt Services Company. There are two defined contribution plans. Plan 1 is for employees hired prior to July 1, 2010, and retirement benefits received are based upon the employer's 10.4 percent, plus net investment gains or losses. Plan 2 is for employees hired on or after July 1, 2010, and retirement benefits received are based upon the employer's 8.5 percent contribution and the employee's 5.0 percent contribution plus net investment gains or losses. Individual contracts issued under the plan provide for full and immediate vesting of both the university's and the employees' contributions. Total pension costs under this plan were approximately $41,518,000 for the year ended June 30, 2024. Contributions to the optional retirement plan were calculated using the base salary amount of approximately $456,073,000 for this fiscal year.

Deferred Compensation Plan

Employees of the university are employees of the Commonwealth of Virginia. State employees may participate in the commonwealth's deferred compensation plan. Participating employees can contribute to the plan each pay period with the commonwealth matching up to $20 per pay period. The dollar amount match can change depending on the funding available in the commonwealth's budget. The deferred compensation plan is a qualified defined contribution plan under Section 401(a) of the Internal Revenue Code. The university expense for matching contributions to this plan, which is an amount assessed by the commonwealth, was approximately $2,547,000 for the fiscal year 2024.

Federal Pension Plans

Certain Cooperative Extension Service (CES) professional employees are participants in the Federal Employee Retirement System (FERS). The FERS is a defined benefit plan in which benefits are based upon the highest base pay over any three consecutive years and the years of creditable service. The costs under this plan were approximately $68,000 for the year ended June 30, 2024. Contributions to FERS were calculated using the base salary amount of approximately $369,000 for the fiscal year 2024.

In addition, the university contributed $18,000 in employer contributions to the Thrift Savings Plan for the year ended June 30, 2024. The Thrift Savings Plan is a defined contribution plan in which the university matches employee contributions within certain limitations.

Photo by Luke Hayes/Virginia Tech

21. Other Postemployment Benefits

The university participates in postemployment benefit programs that are sponsored by the commonwealth. The Department of Human Resource Management (DHRM) administers the Pre-Medicate Retiree Healthcare program. The Virginia Retirement System (VRS or 'the System') administers the Virginia Sickness and Disability program, Group Life Insurance program, Retiree Health Insurance Credit program, and Line of Duty Act program. Specific information for each of these Other Postemployment Benefit (OPEB) programs is described below:

Plan Descriptions

Pre-Medicare Retiree Healthcare (PMRH) program

All full-time and part-time permanent salaried Virginia Tech employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are eligible to participate in the commonwealth's healthcare program upon employment. Retirees who are not yet eligible for Medicare health benefits may continue to participate in this program by meeting certain eligibility requirements.

Virginia Sickness and Disability (VSDP) program

All full-time and part-time permanent salaried Virginia Tech employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) hired on or after January 1, 1999 are automatically covered by VSDP upon employment. The VSDP program also covers Virginia Tech employees hired before January 1, 1999 who elected to transfer to VSDP rather than retain their eligibility to be considered for disability retirement.

Group Life Insurance (GLI) program

All full-time, salaried permanent employees of Virginia Tech are automatically covered by the GLI program upon employment. (Note: In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance program. For members who elect the optional group life insurance coverage, the insurer bills Virginia Tech directly for the premiums. Virginia Tech deducts these premiums from members' paychecks and pays the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI program postemployment benefit.)

Retiree Health Insurance Credit (HIC) program

All full-time, salaried, permanent employees of Virginia Tech are automatically covered by the HIC program. Members earn one month of service credit toward the benefit for each month they are employed and for which Virginia Tech pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

Line of Duty Act (LODA) program

All paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the LODA program. As required by statute, the VRS is responsible for managing the assets of the program. Virginia Tech's contributions are determined by the system's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

Plan Provisions

PMRH program

Eligible employees

For a VRS retiree to participate in the Pre-Medicare Retiree Healthcare (PMRH) program, the participant must:

- be a retiring state employee who is eligible for a monthly retirement benefit from the VRS, and
- be receiving (not deferring) the benefit immediately upon retirement*, and
- have his or her last employer before retirement be the Commonwealth of Virginia, and
- be eligible for coverage (even if not enrolled) as an active employee in the State Health Benefits Program until his or her retirement date (not including extended coverage), and
- have submitted within 31 days of his or her retirement date an enrollment form to his or her benefits administrator to enroll.

(* A retirement contribution or leave without pay status for retirement was reported in the month immediately prior to retirement date. Some faculty members may also be eligible if they are paid on an alternate pay cycle but maintain eligibility for active coverage until their retirement date.)

For an Optional Retirement Plan (ORP) retiree to participate in the PMRH program, the participant must:

- be a terminating state employee who participates in one of the qualified Optional Retirement Plans, and
- have his or her last employer before termination be the Commonwealth of Virginia, and
- be eligible for coverage (even if not enrolled) in the State Employee Health Benefits Program for active employees at the time of termination, and
- meet the age and service requirements for an immediate retirement benefit under the non-ORP VRS plan that would have been applicable had ORP coverage not been selected, and
- enroll in the State Retiree Health Benefits Program no later than 31 days from the date that coverage (or eligibility for coverage) was lost due to termination of employment.

(This applies to ORP terminations effective January 1, 2017 or later. For those who terminated employment prior to January 1, eligibility should be determined based on the policy in place at the time of their termination.)

VSDP program

Eligible employees

The Virginia Sickness and Disability Program (VSDP), also known as the Disability Insurance Trust Fund was established January 1, 1999 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities.

Eligible employees are enrolled automatically upon employment. They include:

- Full-time and part-time permanent salaried Virginia Tech employees covered under VRS, SPORS and VaLORS (members new to VaLORS following its creation on October 1, 1999 have been enrolled since the inception of VSDP).
- State employees hired before January 1, 1999 who elected to transfer to VSDP rather than retain their eligibility to be considered for VRS disability retirement.
- Virginia Tech faculty members who elect the VRS defined benefit plan.

Benefit Amounts

The Virginia Sickness and Disability Program (VSDP) provides the following benefits for eligible retirees:

- Long-Term Disability (LTD) - The program provides a long-term disability benefit beginning after 125 workdays of short-term disability and continuing until the employee reaches his or her normal retirement age. The benefit provides income replacement of 60% of the employee's pre-disability income. If an employee becomes disabled within five years of his or her normal retirement age, the employee will receive up to five years of VSDP benefits, provided he or she remains medically eligible. Long-term disability benefits are paid by the Virginia Disability Insurance Program (VSDP) OPEB plan.
- Income Replacement Adjustment - The program provides for an income replacement adjustment to 80% for catastrophic conditions.
- Long-Term Care Plan – The program also includes a self-funded long-term care plan that assists with the cost of covered long-term care services.

Cost-of-Living Adjustment (COLA)

During periods an employee receives long-term disability benefits, the LTD benefit may be increased annually by an amount recommended by the actuary and approved by the board.

Plan 1 employees vested as of 1/1/2013 – 100% of the VRS Plan 1 COLA (The first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%).

Plan 1 employee non-vested as of 1/1/2013, Plan 2 and Hybrid Plan employees – 100% of the VRS Plan 2 and Hybrid COLA (The first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%).

For participating full-time employees taking service retirement, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the board, from the date of the commencement of the disability to the date of retirement.

100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS and VaLORS Plans, with a maximum COLA of 4.00%.

For participating full-time employees receiving supplemental (work-related) disability benefits, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the board, from the date of the commencement of the disability to the date of retirement.

100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS and VaLORS Plans, with a maximum COLA of 4.00%

GLI program

Eligible employees

The GLI program was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program. Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated member contributions and accrued interest.

Benefit amounts

The benefits payable under the GLI program have several components:

- Natural Death Benefit – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- Accidental Death Benefit – The accidental death benefit is double the natural death benefit.
- Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: accidental dismemberment benefit, seat belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option.

Reduction in benefit amounts

The benefit amounts provided to members covered under the GLI program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI program. The minimum benefit was set at $8,000 by statute. The amount increases annually based on the VRS Plan 2 cost-of-living adjustment and was increased to $9,254 effective June 30, 2024.

Retiree HIC program

Eligible Employees

The HIC program was established January 1, 1990 for retired state employees covered under VRS, SPORS, VaLORS and the Judicial Retirement System (JRS) who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include full-time and part-time permanent salaried state employees covered under VRS, SPORS, VaLORS and JRS.

Benefit amounts

The HIC program provides the following benefits for eligible employees:

- At Retirement – For employees who retire, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount.
- Disability Retirement – For employees, other than state police officers, who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program (VSDP), the monthly benefit is $120.00 or $4.00 per year of service, whichever is higher. For state police officers with a non-work-related disability who retire on disability or go on long-term disability under VSDP, the monthly benefit is $120.00 or $4.00 per year of service, whichever is higher. For state police officers with a work-related disability, there is no benefit provided under the HIC program if the premiums are being paid under the Virginia Line of Duty Act (LODA). However, they may receive the credit for premiums paid for other qualified health plans.

HIC program notes

The monthly HIC benefit cannot exceed the individual's premium amount. Employees who retire after being on long-term disability under VSDP must have at least 15 years of service credit to qualify for HIC as a retiree.

LODA program

Eligible Employees

The eligible employees of the LODA program are paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under VRS, SPORS, or VaLORS .

21. Other Postemployment Benefits, continued

Benefit Amounts

LODA provides death and health insurance benefits for eligible individuals.

Death benefits – The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows:

- $100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006 or after.
- $25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date.
- An additional $20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

Health insurance benefits – The LODA program provides health insurance benefits. The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members.

Contributions

PMRH program

Virginia Tech does not pay a portion of the retirees' healthcare premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, this generally results in a higher rate for active employees. Therefore, Virginia Tech effectively subsidizes the costs of the participating retirees' healthcare through payment of Virginia Tech's portion of the premiums for active employees. Benefit payments are recognized when due and payable in accordance with the benefit terms. PMRH is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes and is administered by the Virginia Department of Human Resource Management. There are no inactive employees entitled to future benefits who are not currently receiving benefits. There are no assets accumulated in a trust to pay benefits for this program.

VSDP program

The contribution requirements for the VSDP are governed by §51.1-1140 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for VSDP for the year ended June 30, 2024 was 0.61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits payable during the year, with an adjustment to amortize the accrued OPEB assets. Contributions to the VSDP from Virginia Tech were $1,117,000 and $1,088,000 for the years ended June 30, 2024, and June 30, 2023, respectively.

GLI program

The contribution requirements for the GLI program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI program from Virginia Tech were $4,141,000 and $3,740,000 for the years ended June 30, 2024, and June 30, 2023, respectively. In June 2023, the commonwealth made a special contribution of approximately $10.1 million to the GLI program. This special payment was authorized by a budget amendment included in Chapter 2 of the *Acts of Assembly of 2022*. Virginia Tech's proportionate share for the GLI program is reflected in other non-operating revenue on the *Statement of Revenues, Expenses, and Changes in Net Position*.

Retiree HIC program

The contribution requirement for active employees is governed by §51.1-1400(D) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each state agency's contractually required employer contribution rate for the year ended June 30, 2024, was 1.12% of covered employee compensation for employees in the Retiree HIC program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from Virginia Tech to the Retiree HIC program were $8,912,000 and $8,047,000 for the years ended June 30, 2024, and June 30, 2023, respectively. In June 2023, the commonwealth made a special contribution of approximately $8.5 million which was applied to the HIC program. This special payment was authorized by a budget amendment included in Chapter 2 of the *Acts of Assembly of 2022*. Virginia Tech's proportionate share for the HIC program is reflected in other non-operating revenue on the *Statement of Revenue, Expenses, and Changes in Net Position*.

LODA program

The contribution requirements for the LODA program are governed by §9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA program for the year ended June 30, 2024, was $830.00 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA program from Virginia Tech were $42,000 and $42,000 for the years ended June 30, 2024, and June 30, 2023, respectively.

Liabilities (Assets), Expenses, and Deferred Inflows/Outflows of Resources

At June 30, 2024, Virginia Tech reported the following net liabilities (assets) for its proportionate share of these programs:

PMRH	$	32,558,000
VSDP	$	(11,134,000)
GLI	$	36,765,000
HIC	$	72,261,000
LODA	$	968,000

These liabilities (assets) were measured as of June 30, 2023, and the total OPEB liability used to calculate each net liability (asset) was determined by an actuarial valuation as of that date. Virginia Tech's proportion of the PMRH OPEB liability was based on its healthcare premium contributions as a percentage of the total employer's healthcare premium contributions for all participating employers. For VSDP, GLI, HIC and LODA programs, Virginia Tech's proportionate share of each liability (asset) was based on Virginia Tech's actuarially determined employer contributions to each plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers.

At June 30, 2023, Virginia Tech's proportionate share was:

PMRH	9.25% as compared to 9.12% at June 30, 2022
VSDP	3.52% as compared to 3.58% at June 30, 2022
GLI	3.07% as compared to 3.06% at June 30, 2022
HIC	8.79% as compared to 8.77% at June 30, 2022
LODA	0.24% as compared to 0.25% at June 30, 2022

For the year ended June 30, 2023, Virginia Tech recognized the following expenses for these programs:

PMRH	$	(14,725,000)
VSDP	$	352,000
GLI	$	2,167,000
HIC	$	12,340,000
LODA	$	128,000

Since there was a change in proportionate share between measurement dates, a portion of these expenses was related to deferred amounts from changes in proportion.

At June 30, 2024, Virginia Tech reported deferred outflows/inflows of resources related to these programs from the following sources *(all dollars in thousands):*

Program	Source		Deferred Outflow		Deferred Inflow
PMRH	Difference between expected and actual experience	$	835	$	7,871
	Change in assumptions		-		19,935
	Changes in proportion		4,412		236
	Amounts associated with transactions subsequent to measurement date		2,581		-
	Total	$	7,828	$	28,042
VSDP	Difference between expected and actual experience	$	802	$	1,532
	Net difference between projected and actual earnings on investments		-		305
	Change in assumptions		38		122
	Changes in proportion		439		30
	VT contributions subsequent to measurement date		1,117		-
	Total	$	2,396	$	1,989
GLI	Difference between expected and actual experience	$	3,672	$	1,116
	Net difference between projected and actual earnings on investments		-		1,477
	Change in assumptions		786		2,547
	Changes in proportion		798		15
	VT contributions subsequent to measurement date		4,141		-
	Total	$	9,397	$	5,155
HIC	Difference between expected and actual experience	$	2	$	4,616
	Net difference between projected and actual earnings on investments		189		-
	Change in assumptions		1,708		-
	Changes in proportion		1,564		71
	VT contributions subsequent to measurement date		8,912		-
	Total	$	12,375	$	4,687
LODA	Difference between expected and actual experience	$	52	$	182
	Net difference between projected and actual earnings on investments		-		3
	Change in assumptions		215		200
	Changes in proportion		73		69
	VT contributions subsequent to measurement date		42		-
	Total	$	382	$	454

The following amounts reported as deferred outflows of resources related to each program, resulting from Virginia Tech's contributions subsequent to the measurement date, will be recognized as a reduction of each program's net liability (asset) in the fiscal year ending June 30, 2024 *(all dollars in thousands):*

PMRH	$	2,581
VSDP	$	1,117
GLI	$	4,141
HIC	$	8,912
LODA	$	42

Other amounts reported as deferred outflows/inflows of resources related to the OPEB programs will be recognized in each program's expense in future reporting periods as follows *(all dollars in thousands):*

Year ended June 30:		PMRH		VSDP		GLI		HIC		LODA
2025	$	(11,283)	$	(421)	$	112	$	31	$	(6)
2026	$	(6,183)	$	(535)	$	(1,290)	$	(579)	$	(6)
2027	$	(3,671)	$	105	$	735	$	(191)	$	(4)
2028	$	(1,721)	$	31	$	162	$	(382)	$	(5)
2029	$	65	$	80	$	381	$	(103)	$	(17)
Thereafter	$	-	$	31	$	-	$	-	$	(76)

21. Other Postemployment Benefits, continued

Actuarial Assumptions

PMRH program actuarial assumptions

The total Pre-Medicare Retiree Healthcare OPEB liability was based on an actuarial valuation with a valuation date of June 30, 2023. The Department of Human Resource Management selected the economic, demographic, and healthcare claim cost assumptions. The actuary provided guidance with respect to these assumptions. Initial healthcare costs trend rates used were 7.75 percent for medical and pharmacy and 4.00 percent for dental. The ultimate trend rates used were 4.50 percent for medical and pharmacy and 4.00 percent for dental.

Valuation Date	Actuarially determined contribution rates calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Measurement Date	June 30, 2023 (one year prior to the end of the fiscal year)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Effective Amortization Period	5.80 years
Discount Rate	3.65%
Projected Salary Increases	5.35% to 3.50% based on years of service from 1 year to 20 years or more
Medical Trend Under 65	Medical and Rx: 7.75% to 4.50%, Dental: 4.00%
Year of Ultimate Trend	2033

Mortality Rates

- Pre-Retirement: Pub-2010 Benefits Weighted General Employee Rates projected generationally with a Modified MP-2021 Improvement Scale; females set forward 2 years.
- Post-Retirement: Pub-2010 Benefits Weighted General Healthy Retiree Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for females.
- Post-Disablement: Pub-2010 Benefits Weighted General Disabled Rates projected generationally with a Modified MP-2021 Improvement Scale; males and females set forward 3 years.
- Beneficiaries and Survivors: Pub-2010 Benefits Weighted General Contingent Annuitant Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males and females.

The discount rate was based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date which is June 30, 2023.

Changes of Assumptions

There were not any changes in assumptions since the June 30, 2022, measurement date. The following remained constant since the prior measurement date:

- Spousal Coverage - rate remained at 20 percent
- Retiree Participation - rate remained at 35 percent

The trend rates were updated based on economic conditions as of June 30, 2023. Additionally, the discount rate was increased from 3.54% to 3.65% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2023.

There were no plan changes in the valuation since the prior year.

VSDP, GLI, HIC, and LODA program actuarial assumptions

VSDP, GLI, and HIC – The total liability for these programs was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50 percent
Salary increases, including inflation	
General state employees	3.50 percent – 5.35 percent
Teachers (GLI only)	3.50 percent – 5.95 percent
SPORS employees	3.50 percent – 4.75 percent
VaLORS employees	3.50 percent – 4.75 percent
JRS employees (GLI and HIC only)	4.00 percent
Locality – General employees (GLI only)	3.50 percent – 5.35 percent
Locality – Hazardous Duty employees (GLI only)	3.50 percent – 4.75 percent
Investment rate of return	6.75 percent, net of OPEB plan investment expenses, including inflation

LODA - The total liability for these programs was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50 percent
Salary increases, including inflation	
General state employees	N/A
SPORS employees	N/A
VaLORS employees	N/A
Locality employees	N/A
Medical cost trend rates assumption	
Under age 65	7.00 percent – 4.75 percent
Ages 65 and older	5.25 percent – 4.75 percent
Year of ultimate trend rate	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	3.86 percent, including inflation*

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.86% was used since it approximates the risk-free rate of return.

Mortality rates – General State Employees (VSDP, GLI, HIC, LODA)

- Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years.

- Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except for the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change (Discount rate does not apply to LODA).

Mortality rates – Teachers (GLI)

- Pre-Retirement: Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.
- Post-Retirement: Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.
- Post-Disablement: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through age 9 years of service.
Disability Rates	No change.
Salary Scale	No change.
Discount Rate	No change.

Mortality rates – SPORS Employees (VSDP, GLI, HIC, LODA)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020. (VSDP and LODA only: Increased disability life expectancy.)
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change (Discount rate does not apply to LODA.)

Mortality rates – VaLORS Employees (VSDP, GLI, HIC, LODA)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020. (VSDP and LODA only: Increased disability life expectancy.)
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70.

21. Other Postemployment Benefits, continued

Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change (Discount rate does not apply to LODA.)

Mortality rates – JRS Employees (GLI, HIC)

- Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males and females set back 2 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Decreased rates for ages 60-66 and 70-72.
Withdrawal Rates	No change.
Disability Rates	No change.
Salary Scale	Reduce increases across all ages by 0.50%.
Discount Rate	No change.

Mortality rates – Largest Ten Locality Employers - General Employees (GLI)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change.

Mortality rates – Non-Largest Ten Locality Employers - General Employees (GLI)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change.

Mortality rates – Largest Ten Locality Employers with Hazardous Duty Employees (GLI)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change.

Mortality rates – Non-Largest Ten Locality Employers with Hazardous Duty Employees (GLI)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates and changed rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change.

Mortality rates – Largest Ten Locality Employers with Public Safety Employees (LODA)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.

Mortality rates – Non-Largest Ten Locality Employers with Public Safety Employees (LODA)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

21. Other Postemployment Benefits, continued

- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only, to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.

Net OPEB Asset/Liability

The net OPEB asset/liability (NOA or NOL) for VSDP, GLI, HIC and LODA represents each program's total OPEB liability determined in accordance with GASB Statement 74, less the associated fiduciary net position. As of June 30, 2023, NOA/NOL amounts for each program are as follows *(all dollars in thousands):*

	VSDP	GLI	HIC	LODA
Total OPEB Liability	$ 318,901	$ 3,907,052	$ 1,102,220	$ 406,211
Plan Fiduciary Net Position	634,779	2,707,739	280,599	5,311
Employers' Net OPEB Liability (Asset)	$ (315,878)	$ 1,199,313	$ 821,621	$ 400,900
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	199.05%	69.30%	25.46%	1.31%

The total OPEB liability is calculated by VRS's actuary, and each plan's fiduciary net position is reported in VRS's financial statements. The net OPEB liability (asset) is disclosed in accordance with the requirements of GASB Statement 74 in VRS's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

VSDP, GLI, HIC programs

The long-term expected rate of return on the VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of the VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
Expected inflation			2.50%
Expected arithmetic nominal return*			8.25%

* The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

LODA program

The long-term expected rate of return on LODA OPEB Program's investments was set at 3.86% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 3.86% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Fidelity Fixed Income General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2023.

Discount Rate

PMRH program

The discount rate was increased from 3.54% to 3.65% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2024. Retiree participation rate remained at 35% based on a blend of recent experience and the prior year assumptions. There were no plan changes in the valuation since the prior year.

VSDP, GLI, HIC programs

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by Virginia Tech for each of these programs will be subject to the portion of the VRS board-certified rates that are funded by the Virginia General Assembly, which was 109% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB fiduciary net position for these programs was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability for each of these programs.

LODA program

The discount rate used to measure the total OPEB liability was 3.86%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and they will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by Virginia Tech to the LODA OPEB program will be subject to the portion of the VRS board-certified rates that are funded by the Virginia General Assembly.

Sensitivity of Virginia Tech's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents Virginia Tech's proportionate share of the OPEB liability for PMRH using the discount rate of 3.65%; VSDP, GLI, and HIC using the discount rate of 6.75%; and LODA using the discount rate of 3.86%. As well, Virginia Tech's proportionate share of the OPEB liability (asset) is presented as it would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate *(all dollars in thousands):*

Virginia Tech's Proportionate Share of OPEB Liability (Asset)

	1.0% Decrease		Current Discount Rate		1.0% Increase	
	2.65%		3.65%		4.65%	
PMRH	$	34,484	$	32,558	$	30,722
	5.75%		6.75%		7.75%	
VSDP	$	(10,304)	$	(11,134)	$	(11,866)
GLI	$	54,497	$	36,765	$	22,428
HIC	$	81,597	$	72,261	$	64,254
	2.86%		3.86%		4.86%	
LODA	$	1,086	$	968	$	869

Sensitivity of Virginia Tech's Proportionate Share of the PMRH OPEB and LODA OPEB Liabilities to Changes in the Healthcare Trend Rate

Because the Pre-Medicare Retiree Healthcare and Line of Duty Act programs contain provisions for the payment of health insurance premiums, the liabilities are also impacted by the healthcare trend rates. The following presents Virginia Tech's proportionate share of the OPEB liability for these programs using healthcare trend rate of 7.75% decreasing to 4.50% for PMRH and 7.00% decreasing to 4.75% for LODA. As well, Virginia Tech's proportionate share of the OPEB liability is presented as it would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate *(all dollars in thousands):*

Virginia Tech's Proportionate Share of OPEB Liability

	1.00% Decrease		Current Healthcare Trend Rate		1.00% Increase	
PMRH	6.75% decreasing to 3.50%		7.75% decreasing to 4.50%		8.75% decreasing to 5.50%	
	$	29,619	$	32,558	$	35,969
LODA	6.00% decreasing to 3.75%		7.00% decreasing to 4.75%		8.00% decreasing to 5.75%	
	$	821	$	968	$	1,150

Fiduciary Net Position

Detailed information about Fiduciary Net Position for each of these programs is available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/media/shared/pdf/publications/2023-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the VSDP, GLI, and HIC OPEB programs

The amount payable outstanding at June 30, 2024 to each of these OPEB programs was as follows:

VSDP	$	7,000
GLI	$	247,000
HIC	$	516,000

22. Grants, Contracts, and Other Contingencies

The university has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Claims against these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the outlay of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the university.

In addition, the university is required to comply with various federal regulations issued by the Office of Management and Budget. Failure to comply with certain system requirements of these regulations may result in questions concerning the allowance of related direct and indirect charges pursuant to such agreements. As of June 30, 2024, the university estimates that no material liabilities will result from such audits or questions.

23. Federal Direct Lending Program

The university participates in the Federal Direct Lending Program. Under this program, the university receives funds from the U.S. Department of Education for Stafford and Parent PLUS Loan Programs, and disburses these funds to eligible students. The funds can be applied to outstanding student tuition and fee charges or refunded directly to the student.

These loan proceeds are treated as student payments, with the university acting as a fiduciary agent for the student. Therefore, the receipt of the funds from the federal government is not reflected in the federal government grants and contracts total on the *Statement of Revenues, Expenses, and Changes in Net Position.* The activity is included in the operating activities section of the *Statement of Cash Flows.* For the fiscal year ended June 30, 2024, cash provided by the program totaled $169,567,000 and cash used by the program totaled $169,597,000.

24. Appropriations

The *Appropriation Act* specifies that unexpended general fund appropriations remaining on the last day of the current year, ending on June 30, 2024, shall be reappropriated for expenditure in the first month of the next year, beginning on July 1, 2024, except as may be specifically provided otherwise by the Virginia General Assembly. The governor may, at his discretion, unallot funds from the reappropriated balances that relate to unexpended appropriations for payments to individuals, aid to localities, or any pass-through grants.

Adjustments made to the university's original appropriation during this fiscal year are as follows *(all dollars in thousands)*:

Original Legislative Appropriation
(per Chapter 2 of the 2022 Special Session)

Education and general programs	$	293,560
Student financial assistance		32,673
Commonwealth Research Initiative and Federal Action Contingency Trust		10,389
Unique military activities		3,649
Total appropriation		340,271
Adjustments		
Education and general programs		36,051
Access and affordability		12,330
Tech talent investment program		11,887
Pell Initiative Grant		799
Virginia military survivors and dependents		794
DECA and HOSA CTSO Advisors Grant		425
Virginia management fellows program		377
College Transfer Grant		197
Other adjustments		24
Total adjustments		62,884
Total adjusted appropriation	$	403,155

Capital Appropriations
Capital project general fund appropriations were recognized by the university from the commonwealth for the year ended June 30, 2024. During the year $115,470,000 in capital appropriations have been allocated as follows *(all dollars in thousands)*:

Replace Randolph Hall	$	74,749
Education and general maintenance reserve projects		18,447
Tech talent investment program		8,509
Livestock and poultry facilities		6,490
Undergraduate lab furniture, fixtures, and equipment		5,693
Tech talent investment program, College of Engineering		1,032
Center Woods		550
Total capital appropriations	$	115,470

25. Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources
Deferred outflows of resources are defined as the consumption of net assets applicable to a future reporting period. The deferred outflows of resources have a positive effect on net position, similar to assets.

The composition of deferred outflows of resources on June 30, 2024, is summarized as follows (*all dollars in thousands*):

Deferred loss on long-term debt defeasance (Note 14)	$	2,430
Deferred outflow for VRS pension (Note 19)		83,676
Deferred outflow for other postemployment benefits (Note 21)		32,378
	$	118,484

Deferred Inflows of Resources
Deferred inflows of resources are defined as the acquisition of net assets applicable to a future reporting period. The deferred inflows of resources have a negative effect on net position, similar to liabilities.

The composition of deferred inflows of resources on June 30, 2024, is summarized as follows (*all dollars in thousands*):

Deferred gain on long-term debt defeasance (Note 14)	$	1,214
Deferred inflow for long-term leases		2,425
Deferred inflow for VRS pension (Note 19)		35,601
Deferred inflow for other postemployment benefits (Note 21)		40,327
	$	79,567

Photo by Clark DeHart/Virginia Tech

Photo by Lee Friesland/Virginia Tech

26. Expenses by Natural Classification within Functional Classification

Operating expenses by functional classification for the year ended June 30, 2024
(all dollars in thousands)

	Compensation and Benefits	Contractual Services	Travel	Supplies and Materials	Other Operating Expenses	Sponsored Program Contracts	Scholarships and Fellowships	Total
Instruction	$ 467,704	$ 24,080	$ 13,122	$ 9,849	$ 4,472	$ 253	$ 2,586	$ 522,066
Research	286,099	33,227	15,638	25,965	4,109	46,904	23,646	435,588
Public service	76,100	12,439	5,776	3,907	3,450	3,013	447	105,132
Academic support	112,082	15,472	2,265	12,639	2,601	2,128	593	147,780
Student services	26,146	3,876	1,950	1,698	505	762	218	35,155
Institutional support	100,113	1,405	538	63	280	19	978	103,396
Operations and maintenance	44,223	4,969	262	7,960	33,893	-	86	91,393
Student financial assistance*	262	889	5	37	30	-	36,616	37,839
Auxiliary enterprises	140,841	34,079	16,098	52,244	56,599	21	710	300,592
Subtotal before other costs	$ 1,253,570	$ 130,436	$ 55,654	$ 114,362	$ 105,939	$ 53,100	$ 65,880	1,778,941
Depreciation and amortization								174,983
Total operating expenses								$ 1,953,924

**Includes loan administrative fees and collection costs.*

27. Notes to Component Unit Statements

The Virginia Tech Foundation component unit statements, found on pages 20 and 21, and these subsequent notes comply with the Governmental Accounting Standards Board (GASB) format. Virginia Tech Foundation Inc. follows the Financial Accounting Standards Board (FASB) presentation format in their audited financial statements. Consequently, reclassifications have been made to convert their statements to the GASB format *(all dollars in thousands).*

Contributions Receivable - Virginia Tech Foundation Inc.

The following summarizes unconditional promises to give at June 30, 2024 *(all dollars in thousands)*:

Receivable in less than one year	$ 81,479
Receivable in one to five years	80,340
Receivable in more than five years	51,644
Total contributions receivable, gross	213,463
Less allowance for uncollectible contributions	5,489
Less discount to reduce estimated future cash flows to fair value	30,813
Contributions receivable, at fair value	$ 177,161

The discount rates ranged from 5.72% to 7.60% at June 30, 2024. As of June 30, 2024 the foundation is unaware of any significant conditional promises to give.

Investments - Virginia Tech Foundation Inc.

The overall investment objective of the foundation is to invest its endowed funds in a manner that provides returns adequate to meet spending policy objectives in support of designated endowed programs while maintaining the purchasing power of the endowment. The foundation invests a portion of its operating funds in the endowment to provide support for a portion of its annual operating activities. Investment activities are overseen by the board's Investment Committee and are authorized by the board's Executive Committee. The investment program is managed in accordance with its investment policy statement, which is reviewed annually by the board.

The foundation's primary approach towards investing involves the use of third-party investment managers to execute transactions on behalf of the foundation. However, the foundation may also invest directly in securities without restriction. The range of investment strategies utilized is not limited and includes both hedged and unhedged strategies across both public and private markets. Strategies currently employed include long-only equities, long/short hedge funds, fixed income, private credit, private equity, venture capital, real estate, and real assets. In the case of private securities, investments require the estimation of fair value by investment managers. Inputs into such valuations include fundamental factors as well as market comparable transactions. These values may differ significantly from the true value of such investments had readily available markets existed.

As of June 30, 2024, long-term investments included investment assets held in internally managed trust funds with a carrying values totaling $58,335. At June 30, 2024, unspent bond proceeds of $6,074, invested in U.S. government treasuries, were included in short-term investments. These proceeds are restricted for investment in land and building development.

The foundation is required by Maryland state law to maintain segregated assets for all annuities issued in an amount at least equal to the sum of its outstanding deferred giving arrangements, liability discounted to present value. As of June 30, 2024, the foundation had recorded annuity obligations of $6,705. As of June 30, 2024, the foundation had separately invested cash reserves of $12,157, and had met its minimum reserve requirement under Maryland state law.

The following summarizes changes in relationships between cost and fair value of investments during 2024 (*all dollars in thousands*):

	Fair value	Cost	Net gains
June 30, 2024	$ 2,120,942	$ 1,901,929	$ 219,013
June 30, 2023	1,949,823	1,798,869	150,954
Unrealized net gain for the year, including net gain on agency deposits held in trust of $24,365			68,059
Realized net gain for the year, including net gain on agency deposits held in trust of $29,603			89,449
Total net gain for the year, including net gain on agency deposits held in trust of $53,968			$ 157,508

Fair Value Hierarchy - Virginia Tech Foundation Inc.

Accounting Standards Codification (ASC) Topic 820 establishes a three-tier fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs that use quoted prices (unadjusted) in active markets for identical assets or liabilities that the foundation has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

The fair values of the foundation's corporate debt securities and state, county and municipal securities are obtained from a third-party pricing service provider. The fair values provided by the pricing service provider are estimated using pricing models, where the inputs to those models are based on observable market inputs including credit spreads and broker-dealer quotes, among other inputs. The foundation classifies the prices obtained from the pricing services within Level 2 of the fair value hierarchy because the underlying inputs are directly observable from active markets. However, the pricing models used do entail a certain amount of subjectivity and, therefore, differing judgments in how the underlying inputs are modeled could result in different estimates of fair value.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The assets that were measured at fair value on a recurring basis at June 30, 2024 are presented in the first table on the next page.

The second table on the next page summarizes the foundation's investments in entities that calculate net asset value as a practical expedient to estimate fair value as of June 30, 2024, as well as liquidity and funding commitments.

Assets Measured at Fair Value - Virginia Tech Foundation Inc.
At June 30, 2024
(all dollars in thousands)

	Total at June 30, 2024	Fair value measurements at reporting date using Level 1	Level 2	Level 3	NAV*
Assets					
Contributions Receivable	$ 177,161	$ -	$ -	$ 177,161	$ -
Short-term investments					
Corporate debt securities	11,805	11,805	-	-	-
U.S. government treasuries	6,840	6,840	-	-	-
U.S. government agencies	764	764	-	-	-
Total short-term investments	19,409	19,409	-	-	-
Long-term investments					
Cash and cash equivalents	63,562	63,562	-	-	-
U.S. government treasuries	70,383	70,383	-	-	-
U.S. government agencies	10,450	10,450	-	-	-
Hedge funds	273,337	-			273,337
Private real estate	303,395	-	-	-	303,395
Private credit	64,727	-	-	-	64,727
Private equity	229,891	-	-	-	229,891
Public equity	946,084	354,110	-	-	591,974
Corporate bonds	14,419	14,419	-	-	-
Corporate debt securities	75,119	69,692	5,039	388	-
Mortgage receivable	20,993	17,727	3,266	-	-
Foreign securities	18,963	18,963	-	-	-
Real estate	5,321	-	-	5,321	-
Global stock	4,889	4,889	-	-	-
Total long-term investments	2,101,533	624,195	8,305	5,709	1,463,324
Irrevocable trusts held by others	5,467	-	-	5,467	-
Total	$ 2,303,570	$ 643,604	$ 8,305	$ 188,337	$ 1,463,324

* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the *Statement of Net Position*.

Assets Measured using NAV Estimate - Virginia Tech Foundation Inc.
At June 30, 2024
(all dollars in thousands)

	Fair Value	Uncalled Commitments	Remaining Life	Redemption Frequency	Trade to Settlement Terms	Redemption Notice Period
Public equity funds (1)	$ 591,974	$ -	N/A	Daily to Every 3 years	1-30 days	45-180 days
Hedge funds (2)	273,337	-	N/A	Monthly to Quarterly	5-30 days	30-90 days
Private credit funds (3)	64,727	31,502	1-10 years	N/A	N/A	N/A
Private equity funds (4)	229,891	74,088	1-10 years	N/A	N/A	N/A
Private real assets funds (5)	303,395	77,918	1-10 years	N/A	N/A	N/A
	$ 1,463,324	$ 183,508				

(1) The amount represents investments in funds that invest in publicly traded equity securities and can be liquidated over various intervals. The net asset value of each fund, which represents the fair value of the underlying investments, is used as a practical expedient under fair value guidance. The managers invest primarily in long equity securities, although some managers are allowed to invest in short equity securities. In all cases the objective is for managers to achieve a return in excess of an appropriate equity market benchmark, such as the MSCI ACWI.

(2) The amount represents investments in funds that invest in hedged strategies, such as long/short, event-driven and global macro. There are no restrictions on the types of securities and financial instruments these managers are allowed to invest in. The net asset value of each fund, which represents the fair value of the underlying investments, is used as a practical expedient under fair value guidance. Fund managers seek to achieve returns in excess of broad market benchmarks over a full market cycle while exhibiting low correlation with such benchmarks, thus providing diversification.

(3) The amount represents investments in funds that invest in credit-related securities that are privately negotiated. These investments are made under a drawdown commitment structure, where capital is called by the manager when needed. The fair values of investments have been estimated using the net asset value related to each limited partner's ownership interest in the fund as a practical expedient under fair value guidance. These investments cannot be redeemed, with all liquidity decisions under manager control. It is estimated that the underlying assets of the fund will be liquidated over a time period ranging from 1-10 years.

(4) The amount represents investments in funds that invest in the equity of private companies. Investments may take the form of direct equity, preferred equity, convertible equity, or any other "equity-like" structure that reflects entity ownership. These investments are made under a drawdown commitment structure, where capital is called by the manager when needed. Private Equity consists of managers investing in equity at a variety of stages, including venture capital, growth equity, or those companies bought out in take-private transactions. The fair values of investments have been estimated using the net asset value related to each limited partner's ownership interest in the fund as a practical expedient under fair value guidance. These investments cannot be redeemed, with all liquidity decisions under manager control. It is estimated that the underlying assets of the fund will be liquidated over a time period ranging from 1-10 years.

(5) The amount represents investments in funds that invest in the equity, and occasionally debt, of private real assets, including real estate, natural resources, and infrastructure. These investments are made under a drawdown commitment structure, where capital is called by the manager when needed. The fair values of investments have been estimated using the net asset value related to each limited partner's ownership interest in the fund as a practical expedient under fair value guidance. These investments cannot be redeemed, with all liquidity decisions under manager control. It is estimated that the underlying assets of the fund will be liquidated over a time period ranging from 1-10 years.

27. Notes to Component Unit Statements, continued

Land, Buildings, and Equipment - Virginia Tech Foundation Inc.

The following is a summary of land, buildings, and equipment at cost, less accumulated depreciation for the year ending June 30, 2024 *(all dollars in thousands):*

Depreciable capital assets	
Buildings	$ 340,777
Equipment and other	53,087
Land improvements	29,679
Total depreciable capital assets, at cost	423,543
Less accumulated depreciation	187,177
Total depreciable capital assets, net	236,366
Nondepreciable capital assets	
Land	151,359
Vintage and other collection items	7,122
Livestock	708
Construction in progress	12,430
Total nondepreciable capital assets	171,619
Total capital assets, net	$ 407,985

As of June 30, 2024, outstanding contractual commitments for projects under construction approximated $3,241.

Long-term Debt Payable - Virginia Tech Foundation Inc.

Notes payable

The following is a summary of outstanding notes payable at June 30, 2024 *(all dollars in thousands):*

Unsecured note payable issued on May 31, 2024 at a fixed rate of 5.90%. Note matures June 1, 2039	$ 11,100
Unamortized issuance costs	(100)
Unsecured note payable upon the sale of the hotel and repayment of all debt of the hotel and the Hotel Roanoke Foundation	1,775
Total notes payable	$ 12,775

The aggregate annual maturities of notes payable for each of the five years and thereafter subsequent to June 30, 2024, are *(all dollars in thousands):*

Year ending June 30,	
2025	$ 477
2026	509
2027	539
2028	571
2029	605
2030-2034	3,602
2035-2039	4,797
Upon the sale of the hotel and repayment of all debt of the hotel and HRF	1,775
Total notes payable	$ 12,875

Bonds payable

The foundation is obligated under the Economic Development Authority of Montgomery County, Virginia Revenue and Refunding Bonds (Series 2017A) and Taxable Revenue and Refunding Bonds (Series 2017B) dated May 17, 2017. Proceeds were used to refinance all or a portion of the outstanding Series 2009A, Series 2010A, Series 2010B, and Series 2011A bonds, refinance a VTREF note payable, and renovate a facility used in support of the university. The Series 2017A and 2017B bonds, which bear a weighted average fixed interest rate of 2.93% and 3.43%, respectively, have annual serial and sinking fund maturities beginning June 1, 2018 and concluding June 1, 2039 in varying amounts ranging from $580 to $4,670.

The foundation is obligated under the Economic Development Authority of Montgomery County, Virginia Revenue and Refunding Bonds (Series 2017C) dated May 17, 2017. Proceeds were used to refinance all of the outstanding Series 2005 bonds and the remaining portion of the Series 2009A bonds. The Series 2017C bonds, which bear a variable interest rate calculated as 65% of one-month LIBOR plus 0.407%, have annual serial maturities beginning June 1, 2018 and concluding June 1, 2027 in varying amounts ranging from $1,340 to $3,380.

The foundation is obligated under a promissory note with Union Bank and Trust (Series 2017D) dated December 19, 2017. Proceeds were used to finance the construction of several facilities to be used in support of the university. The promissory note, which bears a fixed interest rate of 3.7%, has annual serial maturities beginning October 1, 2019 and concluding October 1, 2037 in varying amounts ranging from $115 to $825. At June 30, 2024, unspent bond proceeds of $4 were included in restricted cash and cash equivalents.

During the year ended June 30, 2017, the foundation used the proceeds from the Series 2017 bond issuances to refinance all of its Industrial Development Authority of Montgomery County, Virginia Variable Rate Revenue Bonds Series 2005 and Industrial Development Authority of Montgomery County, Virginia Revenue Bonds Series 2009A bonds in the amounts of $12,065 and $16,495, respectively. The foundation also partially refunded $44,190 of its Series 2010A, $5,620 of its Series 2010B, and $14,515 of its Series 2011A bonds as well. The foundation defeased or partially refunded these bonds payable by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased or partially refunded bonds are not reflected in the foundation's component unit financial statements.

The foundation is obligated under the Economic Development Authority of Montgomery County, Virginia Revenue Bonds (Series 2019A) and Taxable Revenue and Refunding Bonds (Series 2019B) dated November 5, 2019. Proceeds were used to finance costs related to the acquisition, construction, and equipping of certain facilities, fund capitalized interest, refinance all or a portion of the outstanding Series 2010B and Series 2011B bonds, and pay certain costs of issuance. The Series 2019A and 2019B bonds, which bear a weighted average fixed interest rate of 2.54% and 3.06%, respectively, have annual serial and sinking fund maturities beginning June 1, 2020 and concluding June 1, 2044 in varying amounts ranging from $60 to $7,615. At June 30, 2024 unspent bond proceeds of $1,293 and $6,074 are included in restricted cash and cash equivalents and short-term investments, respectively.

The foundation refunded the remaining $4,355 of its Series 2010B and partially refunded $27,515 of its Series 2011B bonds. The foundation defeased or partially refunded these bonds payable by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased or partially refunded bonds are not reflected in the foundation's component unit financial statements.

The foundation is obligated under the Economic Development Authority of Montgomery County, Virginia Taxable Revenue and Refunding Bonds (Series 2020A) dated July 7, 2020. Proceeds were used to finance costs related to the acquisition, construction, and equipping of certain facilities; refinance all or a portion of the outstanding Series 2011A, Series 2013A, and Series 2013B bonds; and pay certain costs of issuance. The Series 2020A bonds, which bear a weighted average fixed interest rate of 2.24%, have annual serial maturities beginning June 1, 2021 and concluding June 1, 2038 in varying amounts ranging from $565 to $4,625.

The foundation refunded the remaining $29,150 of its Series 2011A, partially refunded $13,170 of its Series 2013A, and partially refunded $6,575 of its 2013B bonds. The foundation defeased or partially refunded these bonds payable by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased or partially refunded bonds are not reflected in the foundation's component unit financial statements.

The foundation is obligated under the Economic Development Authority of Montgomery County, Virginia Revenue Bond (Series 2022) and Taxable Loan dated October 26, 2022. Proceeds will be used to finance costs related to acquisition, construction, and equipping of certain facilities and refinance the outstanding Series 2012B bonds. The Series 2022 bonds, which bear a weighted average fixed interest rate of 3.42%, have annual serial maturities beginning June 1, 2023 and concluding June 1, 2039 in varying amounts ranging from $131 to $427. The Taxable Loan, which bears a weighted average fixed interest rate of 4.34%, has annual serial maturities beginning June 1, 2023 and concluding June 1, 2033 in varying amounts ranging from $198 to $497.

Principal amounts outstanding for bonds payable and the related unamortized premium amounts where applicable at June 30 are as follows *(all dollars in thousands):*

Bond series	
Series 2017A	$ 27,585
Series 2017B	31,345
Series 2017C	4,935
Series 2017D	9,235
Series 2019A	46,325
Series 2019B	80,835
Series 2020A	46,535
Series 2022	5,121
Taxable Loan	3,802
Unamortized premium on Series 2017A	1,202
Unamortized premium on Series 2019A	8,531
Unamortized discount on Series 2019B	(685)
Unamortized bond issuance cost	(1,907)
Total bonds payable	$ 262,859

The aggregate annual maturities of bonds payable for each of the five years and thereafter subsequent to June 30, 2024, are as follows *(all dollars in thousands):*

Year ending June 30,	
2025	$ 19,666
2026	18,938
2027	19,578
2028	18,439
2029	24,467
2030 – 2034	82,232
2035 – 2039	73,681
2040 – 2044	7,765
Total	$ 264,766

Total interest expense incurred in the aggregate related to notes payable and bonds payable during the year ended June 30, 2024 totaled $8,325.

Agency Deposits Held in Trust - Virginia Tech Foundation Inc.

Under an agreement between the university and the foundation, the foundation serves as agent in connection with the investment, management, and administration of a donor estate fund. Under a similar agreement, the foundation also serves as agent for the investment and management of other university non-general funds to assist the university in its goal of achieving enhanced earnings. In addition, the foundation serves as agent and maintains investments for the Virginia Tech Alumni Association Inc., Virginia Tech Services Inc., and certain other associations.

The following is a summary of agency deposits held in trust at June 30, 2024 *(all dollars in thousands):*

University - Pratt Estate	$ 47,639
University - other	563,807
Virginia Tech Alumni Association Inc.	5,018
Virginia Tech Services Inc	6,093
Other	71,864
Total agency deposits held in trust	$ 694,421

Leases - Virginia Tech Foundation Inc.

Operating leases – Foundation as lessor

The foundation rents facilities to unrelated third parties, as well as various university departments and other university-related entities. For the year ended June 30, 2024, rental income of $30,656 and $811 was earned from the university and Virginia Tech Applied Research Corporation, respectively. In addition, the foundation provides facilities for the use of various university departments at no charge or below market rates to the university. The fair value rental for this property in excess of actual rental income received totaled $11,371 and is included in other operating revenues and other operating expenses in the Virginia Tech Foundation *Statement of Revenues, Expenses, and Changes in Net Position* found on page 21.

Future minimum lease payments receivable under facility leases as of June 30, 2024 are as follows *(all dollars in thousands):*

	Related Parties	Other	Total
Year ending June 30,			
2025	$ 15,825	$ 8,928	$ 24,753
2026	14,373	5,696	20,069
2027	12,287	3,735	16,022
2028	10,060	3,263	13,323
2029	8,637	3,042	11,679
Thereafter	20,590	13,071	33,661
Total	$ 81,772	$ 37,735	$ 119,507

Direct financing leases-Foundation as lessor

The foundation records its net investment in direct financing leases as the minimum future lease payments receivable plus the estimated residual value of leased assets, net of unearned lease income and allowance for credit losses. Unearned lease income is the amount by which the total lease receivable plus the estimated residual value exceeds the cost of the asset. The foundation considers current information and events regarding the lessee's ability to pay their obligations, historical experience, and reasonable and supportable forecasts in estimating the allowance for credit losses related to the foundation's direct financing leases. Based on management's assessment, it was determined an allowance for credit losses at June 30, 2024 would be immaterial.

The following table presents the foundation's leases with the university as of June 30, 2024 *(all dollars in thousands):*

Lease Commencement Date	Leased Property	Annual Payments	Lease Termination Date
2009	Building	$ 2,205	2029
2013	Building/parking garage	$ 3,498	2036
2014	Building	$ 72	2044
2015	Building	$ 914	2038
2016	Land	$ 35	2036
2017	Land	$ 104	2037
2019	Building	$ 280	2039
2019	Building	$ 1,178	2039
2020	Building	$ 178	2040
2020	Building	$ 160	2027
2022	Building	$ 5,508	2043
2023	Building	$ 2,515	2043

27. Notes to Component Unit Statements, continued

Future minimum lease payments receivable under these leases as of June 30, 2024 are as follows *(all dollars in thousands):*

	Related Parties	Other	Total
Year ending June 30,			
2025	$ 15,279	$ -	$ 15,279
2026	16,654	-	16,654
2027	16,537	-	16,537
2028	16,451	-	16,451
2029	14,429	-	14,429
Thereafter	158,483	1,663	160,146
Net minimum future lease receipts	237,833	1,663	239,496
Less unearned income	81,465	990	82,455
Net investment in direct financing leases	$ 156,368	$ 673	$ 157,041

Leases – Foundation as lessee

The foundation leases various buildings. The terms of these leases range from 1 to 7 years for operating leases and from 1 to 6 years for finance leases, expiring on various dates from 2024 to 2031. Annual payments under these agreements range from $2 to $168 for finance leases and $2 to $36 for operating leases. Rent expense under these leases amounted to $167 for finance leases and $704 for operating leases for the year ended June 30, 2024.

The foundation leases various tracts of land. The terms of these leases range from 1 to 8 years for operating leases and from 70 to 74 years for finance leases, expiring at various dates from 2024 to 2098. Annual payments under these agreements range from $1 to $33 for finance leases and $35 for operating leases. Rent expense under these leases amounted to $72 for finance leases and $35 for operating leases for the year ended June 30, 2024.

The foundation leases various equipment. The terms of these leases range from 1 to 5 years for finance leases, expiring at various dates from 2024 to 2029. Annual payments under these agreements range from $1 to $2 for finance leases. Rent expense under these leases amounted to $12 for finance leases for the year ended June 30, 2024.

The foundation's lease contracts may include options to extend or terminate the lease. The foundation exercises judgment to determine the term of those leases when such options are present and include such options in the calculation of the lease term when it is reasonably certain that it will exercise those options.

The foundation includes contract lease components in its determination of lease payments, while non-lease components of the contracts, such as taxes, insurance, and common area maintenance, are expensed as incurred. At commencement, right-of-use assets and lease liabilities are measured at the present value of future lease payments over the lease term. The foundation uses its incremental borrowing rate based on information available at the time of lease commencement to measure the present value of future payments.

Operating lease expense is recognized on a straight-line basis over the lease term. Short-term leases with an initial term of 12 months or fewer are expensed as incurred. The foundation's short-term leases have month-to-month terms.

At June 30, 2024 right-of-use assets were $704 for operating leases and $2,197 for finance leases and lease liabilities were $727 for operating leases and $2,287 for finance leases. Right-of-use assets and right-of-use liabilities are reflected in the foundation's *Statement of Net Position* found on page 20 as nondepreciable and depreciable capital assets, net and unearned revenue and other liabilities, respectively.

The weighted average remaining lease term was 50 months for operating leases and 556 months for finance leases and the weighted average discount rate was 1.43% for operating leases and 2.94% for finance leases as of June 30, 2024.

The foundation's future payments due under operating leases reconciled to the lease liability are as follows *(all dollars in thousands):*

For the year ended June 30, 2024, cash paid for lease liabilities totaled $802 for operating leases and $234 for finance leases.

	Operating Leases	Finance Leases	Total
Year ending June 30,			
2025	$ 347	$ 298	$ 645
2026	120	301	421
2027	77	220	297
2028	64	136	200
2029	37	137	174
Thereafter	107	3,851	3,958
Total undiscounted lease payments	752	4,943	5,695
Less present value discount	25	2,656	2,681
Total lease liability	$ 727	$ 2,287	$ 3,014

Photo by Katie Mallory/Virginia Tech

28. Joint Venture

The Hotel Roanoke Conference Center Commission was created by a joint resolution of the university and the City of Roanoke. The purpose of the commission is to establish and operate a publicly owned conference center in Roanoke adjacent to the renovated Hotel Roanoke. The powers of the commission are vested in commissioners. Each participating governing body appoints three commissioners for a total of six commissioners. The commission has authority to issue debt, and such debt is the responsibility of the commission. The intention of the commission is to be self-supporting through its user fees. The university and the City of Roanoke equally share in any operating deficit or additional funding needed for capital expenditures. The university made contributions of $80,000 using private funds to the commission for the fiscal year ended June 30, 2024. The administrative offices for the Hotel Roanoke Conference Center Commission are located at 110 Shenandoah Avenue, Roanoke, Virginia, 24016.

29. Jointly Governed Organizations

NRV Regional Water Authority

Created by a concurrent resolution of the university, the towns of Blacksburg and Christiansburg, and the county of Montgomery, the authority operates and maintains the water supply system for the university and the other participating governing bodies. A five-member board governs the authority with one member appointed by each governing body and one at-large member appointed by the joint resolution of each of the governing bodies. The authority's indebtedness is not an obligation of the university and is payable solely from the revenues of the authority. The university paid $1,820,000 to the authority for the purchase of water for the fiscal year ended June 30, 2024.

Blacksburg-VPI Sanitation Authority

Created by a concurrent resolution of the university and the town of Blacksburg, the authority operates and maintains the wastewater treatment system for the participating governing bodies. Each participating governing body appoints one member of the five-member board of directors. Three at-large members are appointed by the joint resolution of each of the governing bodies. The authority's indebtedness is not an obligation of the university and is payable solely from the revenues of the authority. The university paid $1,178,000 to the authority for the purchase of sewer services for the fiscal year ended June 30, 2024.

Montgomery Regional Solid Waste Authority

Created by a joint resolution of the university, the towns of Blacksburg and Christiansburg, and the county of Montgomery, the authority represents its members in solid waste and recycling issues as well as operating a recycling facility. The authority is governed by its board which is comprised of representatives from each of the four jurisdictions served. Each governing body provides collection of solid waste and recyclables from within its jurisdiction, and delivers the collected materials to the authority for disposal of the waste and processing and marketing of the recyclables. All indebtedness is the obligation of the authority and payable from its revenues. The university paid $388,000 to the authority for disposal fees for the fiscal year ended June 30, 2024.

Virginia Tech/Montgomery Regional Airport Authority

Created by a joint resolution of the university, the towns of Blacksburg and Christiansburg, and the county of Montgomery, this authority serves to develop a regional airport based on the mission of servicing corporate executive markets and other general aviation markets; obtaining grants, loans and other funding for airport improvements and other activities; and promoting and assisting regional economic development. The authority is governed by its board, which consists of five members. Each participating governing body appoints one member of the board, and jointly all governing bodies appoint the fifth member. All indebtedness is the obligation of the authority and payable from its revenues. The university's funding commitment for fiscal year 2024 was $60,000, all of which Virginia Tech paid to the authority.

New River Valley Emergency Communications Regional Authority

Created by a joint resolution of the university, towns of Blacksburg and Christiansburg, and the county of Montgomery, this authority provides 911 dispatch and emergency communication services to the people of each jurisdiction and campus. The authority is governed by its board, which consists of five members. Each participating governing body appoints one member of the board, and jointly all governing bodies appoint the fifth member. The university paid $1,006,000 to the authority for the fiscal year ended June 30, 2024.

New River Valley Passenger Rail Station Authority

Created by a joint resolution of the university; Radford University; towns of Blacksburg, Christiansburg, and Pulaski; the city of Radford; and the counties of Floyd, Giles, Montgomery, and Pulaski, this authority enables the members to share the costs of developing, owning, and operating a regional rail station. The authority is governed by its board, which consists of twenty members. Each participating governing body appoints two members of the board. The university paid $9,000 to the authority for the fiscal year ended June 30, 2024.

30. Risk Management and Employee Healthcare Plans

The university is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; nonperformance of duty; injuries to employees; and natural disasters. The university participates in insurance plans maintained by the Commonwealth of Virginia. The state employee healthcare and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk management insurance includes property, general liability, medical malpractice, faithful performance of duty bond, automobile, boiler and machinery, as well as air and watercraft plans. The university pays premiums to the commonwealth for the aforementioned insurance coverage. In addition, the university contracts with private insurers to provide additional fidelity bonding coverage, automobile physical damage coverage, and overseas liability coverage. Information relating to the commonwealth's insurance plans is available in the Commonwealth of Virginia's *Annual Comprehensive Financial Report.*

31. Pending Litigation

The university has been named as a defendant in a number of lawsuits. The final outcome of the lawsuits cannot be determined at this time. However, management is of the opinion that any ultimate liability to which the university may be exposed will not have a material effect upon the university's financial position.

Photo by Luke Hayes/Virginia Tech

Required Supplementary Information

Required Supplementary Information for Pension Plans

Schedule of Virginia Tech's Share of Net Pension Liability (SERP)*
For the years ended June 30, 2023-2014
(all dollars in thousands)

	Proportion of net pension liability	Proportionate share of net pension liability	Employer's covered payroll	Proportionate share of net pension liability as a percentage of employer's covered payroll	Plan fiduciary net position as a percentage of total pension liability
2023	6.14%	$ 310,820	$ 306,250	101.49%	82.19%
2022	6.17%	$ 280,125	$ 283,379	98.85%	83.26%
2021	6.28%	$ 227,619	$ 271,869	83.72%	86.44%
2020	6.35%	$ 460,400	$ 283,418	162.45%	72.15%
2019	6.42%	$ 405,894	$ 270,954	149.80%	75.13%
2018	6.46%	$ 349,811	$ 270,309	129.41%	77.39%
2017	6.55%	$ 381,766	$ 262,376	145.50%	75.33%
2016	6.58%	$ 433,375	$ 263,416	164.52%	71.29%
2015	6.52%	$ 398,980	$ 246,888	161.60%	72.81%
2014	6.30%	$ 352,916	$ 243,099	145.17%	74.28%

Schedule of Virginia Tech's Share of Net Pension Liability (VaLORS)*
For the years ended June 30, 2023-2014
(all dollars in thousands)

	Proportion of net pension liability	Proportionate share of net pension liability	Employer's covered payroll	Proportionate share of net pension liability as a percentage of employer's covered payroll	Plan fiduciary net position as a percentage of total pension liability
2023	0.81%	$ 5,270	$ 3,007	175.26%	74.91%
2022	0.75%	$ 4,738	$ 2,535	186.90%	74.41%
2021	0.66%	$ 3,435	$ 2,296	149.61%	78.18%
2020	0.64%	$ 5,024	$ 2,367	212.25%	65.74%
2019	0.66%	$ 4,557	$ 2,293	198.74%	68.31%
2018	0.66%	$ 4,144	$ 2,294	180.65%	69.56%
2017	0.67%	$ 4,397	$ 2,315	189.94%	67.22%
2016	0.67%	$ 5,201	$ 2,328	223.41%	61.01%
2015	0.66%	$ 4,716	$ 2,247	209.88%	62.64%
2014	0.70%	$ 4,706	$ 2,461	191.22%	63.05%

**The amounts presented have a measurement date of the previous fiscal year end.*

Schedule of Virginia Tech's Pension Contributions (SERP)
For the years ended June 30, 2024 - 2015
(all dollars in thousands)

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of employer's covered payroll
2024	$ 48,281	$ 48,281	$ -	$ 336,824	14.33%
2023	$ 44,415	$ 44,415	$ -	$ 306,250	14.50%
2022	$ 41,085	$ 41,085	$ -	$ 283,379	14.50%
2021	$ 39,309	$ 39,309	$ -	$ 271,869	14.46%
2020	$ 37,758	$ 37,758	$ -	$ 283,418	13.32%
2019	$ 36,003	$ 36,003	$ -	$ 270,954	13.29%
2018	$ 36,466	$ 36,466	$ -	$ 270,309	13.49%
2017	$ 35,348	$ 35,348	$ -	$ 262,376	13.47%
2016	$ 36,931	$ 36,931	$ -	$ 263,416	14.00%
2015	$ 30,392	$ 30,392	$ -	$ 246,488	12.30%

Schedule of Virginia Tech's Pension Contributions (VaLORS)
For the years ended June 30, 2024 - 2015
(all dollars in thousands)

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of employer's covered payroll
2024	$ 801	$ 801	$ -	$ 3,290	24.35%
2023	$ 746	$ 746	$ -	$ 3,007	24.81%
2022	$ 557	$ 557	$ -	$ 2,535	21.97%
2021	$ 512	$ 512	$ -	$ 2,296	22.30%
2020	$ 503	$ 503	$ -	$ 2,367	21.25%
2019	$ 496	$ 496	$ -	$ 2,293	21.63%
2018	$ 483	$ 483	$ -	$ 2,294	21.05%
2017	$ 487	$ 487	$ -	$ 2,315	21.04%
2016	$ 439	$ 439	$ -	$ 2,328	18.86%
2015	$ 397	$ 397	$ -	$ 2,247	17.67%

Notes to Required Supplementary Information for Pension Plans

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

VRS – State Employee Retirement Plans (SERP)

Mortality Rates (Pre-retirement, post-retirement, healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

VaLORS Retirement Plan

Mortality Rates (Pre-retirement, post-retirement, healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Photo by Luke Hayes/Virginia Tech

Required Supplementary Information for Other Postemployment Benefit Plans

Schedule of Virginia Tech's Share of OPEB Liability (Asset)
For the years ended June 30, 2023-2017
(all dollars in thousands)

	Year	PMRH	VSDP	GLI	HIC	LODA
Employer's proportion of the collective total OPEB liability (asset)	2023	9.25%	3.52%	3.07%	8.79%	0.24%
	2022	9.12%	3.58%	3.06%	8.77%	0.25%
	2021	9.02%	3.69%	3.03%	8.66%	0.25%
	2020	8.93%	3.72%	3.03%	8.63%	0.23%
	2019	8.72%	3.79%	2.99%	8.59%	0.24%
	2018	8.53%	3.81%	2.95%	8.32%	0.23%
	2017	8.34%	3.79%	2.87%	8.19%	0.25%
Employer's proportionate share of the collective total OPEB liability (asset)	2023	$ 32,558	$ (11,134)	$ 36,765	$ 72,261	$ 968
	2022	$ 33,126	$ (10,575)	$ 36,809	$ 71,844	$ 933
	2021	$ 40,472	$ (12,709)	$ 35,260	$ 73,126	$ 1,103
	2020	$ 50,797	$ (8,213)	$ 50,486	$ 79,244	$ 957
	2019	$ 59,214	$ (7,438)	$ 48,635	$ 79,327	$ 868
	2018	$ 85,746	$ (8,583)	$ 44,770	$ 75,868	$ 735
	2017	$ 108,278	$ (7,790)	$ 43,235	$ 74,567	$ 663
Employer's covered payroll (where applicable)	2023		$ 178,588	$ 722,110	$ 721,504	
	2022		$ 164,921	$ 664,979	$ 664,536	
	2021		$ 159,351	$ 625,278	$ 623,963	
	2020		$ 161,260	$ 622,611	$ 621,914	
	2019		$ 153,447	$ 585,890	$ 585,614	
	2018		$ 147,739	$ 553,929	$ 558,853	
	2017		$ 142,553	$ 526,681	$ 531,560	
Proportionate share of the collective total OPEB liability (asset) as a percentage of employer's covered payroll	2023		6.23%	5.09%	10.02%	
	2022		6.41%	5.54%	10.81%	
	2021		7.98%	5.64%	11.72%	
	2020		5.09%	8.11%	12.74%	
	2019		4.85%	8.30%	13.55%	
	2018		5.81%	8.08%	13.58%	
	2017		5.46%	8.21%	14.03%	
Covered-employee payroll (where applicable)	2023	$ 751,554				N/A*
	2022	$ 689,890				N/A*
	2021	$ 643,930				N/A*
	2020	$ 642,357				N/A*
	2019	$ 601,489				N/A*
	2018	$ 575,313				N/A*
	2017	$ 548,609				N/A*
Proportionate share of the collective total OPEB liability (asset) as a percentage of covered-employee payroll	2023	4.33%				N/A*
	2022	4.80%				N/A*
	2021	6.29%				N/A*
	2020	7.91%				N/A*
	2019	9.84%				N/A*
	2018	14.90%				N/A*
	2017	19.74%				N/A*
Plan Fiduciary Net Position as a percentage of the total OPEB liability (asset)	2023	N/A	199.05%	69.30%	25.46%	1.31%
	2022	N/A	195.90%	67.21%	21.52%	1.87%
	2021	N/A	229.01%	67.45%	19.75%	1.68%
	2020	N/A	181.88%	52.64%	12.02%	1.02%
	2019	N/A	167.18%	52.00%	10.56%	0.79%
	2018	N/A	194.74%	51.22%	9.51%	0.60%
	2017	N/A	186.63%	48.86%	8.03%	1.30%

**The contributions for the Line of Duty Act Program (LODA) are based on the number of participants in the program using a per capita-based contribution versus a payroll-based contribution.*

This schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, only seven years are available. Additional years will be included as they become available.

Schedule of Virginia Tech's Share of OPEB Contributions
For the years ended June 30, 2024-2018
(*all dollars in thousands*)

	Year	VSDP	GLI	HIC	LODA*
Contractually required contribution	2024	$ 1,117	$ 4,141	$ 8,912	$ 42
	2023	$ 1,088	$ 3,740	$ 8,047	$ 42
	2022	$ 998	$ 3,584	$ 7,429	$ 32
	2021	$ 971	$ 3,397	$ 7,050	$ 34
	2020	$ 968	$ 3,231	$ 7,262	$ 31
	2019	$ 950	$ 3,039	$ 6,836	$ 32
	2018	$ 977	$ 2,880	$ 6,653	$ 25
Contributions in relation to contractually required contribution	2024	$ 1,117	$ 4,141	$ 8,912	$ 42
	2023	$ 1,088	$ 3,740	$ 8,047	$ 42
	2022	$ 998	$ 3,584	$ 7,429	$ 32
	2021	$ 971	$ 3,397	$ 7,050	$ 34
	2020	$ 968	$ 3,231	$ 7,262	$ 31
	2019	$ 950	$ 3,039	$ 6,836	$ 32
	2018	$ 977	$ 2,880	$ 6,653	$ 25
Contribution deficiency (excess)	2024	$ -	$ -	$ -	$ -
	2023	$ -	$ -	$ -	$ -
	2022	$ -	$ -	$ -	$ -
	2021	$ -	$ -	$ -	$ -
	2020	$ -	$ -	$ -	$ -
	2019	$ -	$ -	$ -	$ -
	2018	$ -	$ -	$ -	$ -
Employer's covered payroll (where applicable)	2024	$ 194,558	$ 798,455	$ 797,971	$ 3,680
	2023	$ 178,588	$ 722,110	$ 721,504	$ 3,272
	2022	$ 164,921	$ 664,979	$ 664,536	$ 2,734
	2021	$ 159,351	$ 625,278	$ 623,963	$ 2,455
	2020	$ 161,260	$ 622,611	$ 621,914	$ 2,419
	2019	$ 153,447	$ 585,890	$ 585,614	$ 2,297
	2018	$ 147,739	$ 553,929	$ 558,853	$ 2,843
Contributions as a percentage of employer's covered payroll	2024	0.57%	0.52%	1.12%	1.14%
	2023	0.61%	0.52%	1.12%	1.28%
	2022	0.61%	0.54%	1.12%	1.17%
	2021	0.61%	0.54%	1.13%	1.38%
	2020	0.60%	0.52%	1.17%	1.28%
	2019	0.62%	0.52%	1.17%	1.39%
	2018	0.66%	0.52%	1.19%	0.88%

**The contributions for the Line of Duty Act Program (LODA) are based on the number of participants in the program using a per capita-based contribution versus a payroll-based contribution.*

This schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, only seven years are available. Additional years will be included as they become available.

Notes to Required Supplementary Information for Other Postemployment Benefit Plans

PMRH program

There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms – There have been no changes to the benefit provisions since the prior actuarial valuation.

Changes of assumptions – There were not any changes in assumptions since the June 30, 2022, measurement date. The following remained constant since the prior measurement date:

Spousal coverage – rate remained at 20%
Retiree participation – rate remained at 35%

Retiree participation was based on a blend of recent experience and the prior year assumptions.

The trend rates were updated based on economic conditions as of June 30, 2023. Additionally, the discount rate was increased from 3.54% to 3.65% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2023.

VSDP, GLI, HIC, and LODA programs

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General State Employees (VSDP, GLI, HIC, LODA)

Mortality Rates (Pre- retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change (Discount rate does not apply to LODA)

Teachers (GLI)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

SPORS Employees (VSDP, GLI, HIC, LODA)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020. Increased disability life expectancy for VSDP and LODA.
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change (Discount rate does not apply to LODA)

VaLORS Employees (VSDP, GLI, HIC, LODA)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020. Increased disability life expectancy for VSDP and LODA.
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change (Discount rate does not apply to LODA)

JRS (GLI, HIC)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

Largest Ten Locality Employers – General Employees (GLI)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers – General Employees (GLI)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Largest Ten Locality Employers – Hazardous Duty Employees (GLI)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers – Hazardous Duty Employees (GLI)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Largest Ten Locality Employers with Public Safety Employees (LODA)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Non-Largest Ten Locality Employers with Public Safety Employees (LODA)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Optional Supplementary Information

Virginia Tech Foundation Inc.

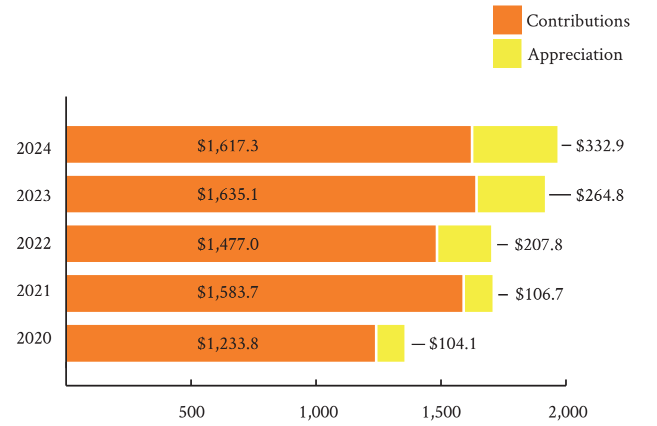
The purpose of Virginia Tech Foundation Inc. (VTF) is to receive, invest, and manage private funds given for the support of programs at Virginia Tech and to foster and promote the growth, progress, and general welfare of the university. The information presented on this page is categorized as presented in the foundation's audited financial statements that follow the Financial Accounting Standards Board (FASB) presentation requirements

During the current fiscal year, the foundation recognized $178.3 million in contributions for support of the university. Investment income of $21.2 million along with net gain on investments of $103.6 million resulted in a $124.8 million net gain on investment activity. Property rental and hotel operating income totaled $86.7 million. Other income accounted for $17.7 million.

Total income of $407.5 million was offset by $246.8 million in expenses that supported the university and its programs. Direct support to various university programs aggregated $158.7 million, which included $44.9 million in scholarship support to students and faculty and $10.5 million towards university capital projects. Additional expenses such as fundraising, management and general, research center, hotel operating, golf course, and other costs totaled $88.2 million. Total net position increased by $159.1 million over the previous year and includes the increase in the valuation of split-interest agreements offset by income tax expense.

VTF Endowment Market Value*

For the years ended June 30, 2024-2020
(all dollars in millions)

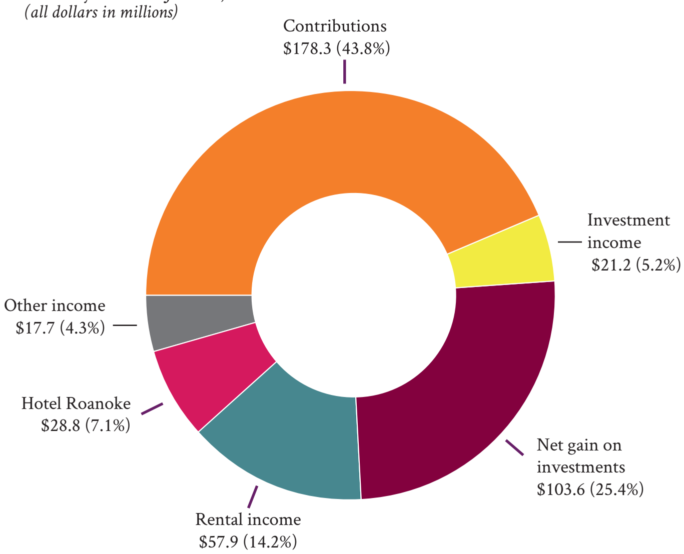


**Source: Virginia Tech Investment Managers, unaudited*

Market value of endowment funds includes agency deposit held in trust of $694.4 million.

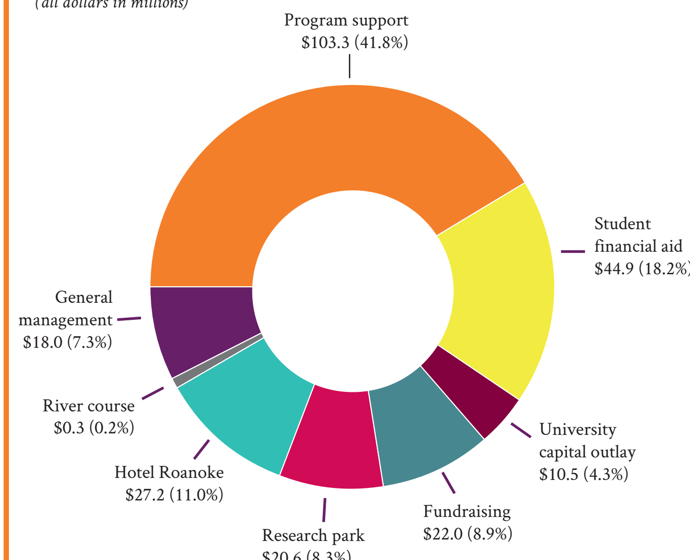
VTF Revenues, Gains, and Other Support

For the year ended June 30, 2024
(all dollars in millions)



VTF Expenses

For the year ended June 30, 2024
(all dollars in millions)



Affiliated Corporations Financial Highlights

For the years ended June 30, 2024 - 2020
(all dollars in thousands)

	2024	2023	2022	2021	2020
Assets					
Virginia Tech Foundation Inc.	$ 3,026,297	$ 2,838,340	$ 2,667,802	$ 2,687,603	$ 2,265,838
Virginia Tech Innovation Corporation	9,974	10,326	11,311	9,145	9,488
Virginia Tech Services Inc.	12,869	11,449	8,677	7,380	7,311
Virginia Tech Applied Research Corporation	13,555	10,609	5,827	4,610	4,219
Virginia Tech Intellectual Properties Inc.	4,046	3,574	2,752	2,102	1,735
Total Assets	$ 3,066,741	$ 2,874,298	$ 2,696,369	$ 2,710,840	$ 2,288,591
Revenues					
Virginia Tech Foundation Inc.	$ 407,475	$ 336,472	$ 248,744	$ 465,260	$ 210,179
Virginia Tech Innovation Corporation	8,404	6,156	7,020	4,731	4,921
Virginia Tech Services Inc.	4,853	4,374	3,938	2,533	4,172
Virginia Tech Applied Research Corporation	21,135	20,840	18,949	13,419	11,233
Virginia Tech Intellectual Properties Inc.	4,605	3,912	3,075	2,502	2,052
Total Revenues	$ 446,472	$ 371,754	$ 281,726	$ 488,445	$ 232,557
Expenses					
Virginia Tech Foundation Inc.	$ 246,857	$ 220,582	$ 242,232	$ 155,779	$ 180,673
Virginia Tech Innovation Corporation	8,635	7,437	6,767	5,347	6,612
Virginia Tech Services Inc.	2,887	2,881	3,130	2,433	3,438
Virginia Tech Applied Research Corporation	20,033	19,421	17,930	13,262	11,415
Virginia Tech Intellectual Properties Inc.	3,953	3,437	2,888	2,138	2,016
Total Expenses	$ 282,365	$ 253,758	$ 272,947	$ 178,959	$ 204,154

The organizations included above are related to the university by affiliation agreements. These agreements, approved by the Virginia Tech Board of Visitors, require an annual audit to be performed by independent auditors. These auditors have examined the financial records of the organizations presented in the table above and copies of their audit reports have been provided to the university. Values presented in this table are based solely upon these audit reports and do not include any consolidation entries to alter these amounts. Affiliated organizations that hold no financial assets and certify all financial activities or transactions through the Virginia Tech Foundation Inc. may be exempt from the independent audit requirement. Virginia Tech Athletic Fund Inc., Virginia Tech Corps of Cadets Alumni Inc., and Virginia Tech Alumni Association meet exemption requirements and are not presented separately in this table. Additionally, Virginia Tech India Research and Education Forum (VTIREF) is not presented in this table due to the immateriality of its financial figures in comparison with the organizations included.

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 18, 2024

The Honorable Glenn Youngkin, Governor of Virginia

Joint Legislative Audit and Review Commission

Board of Visitors, Virginia Polytechnic Institute and State University

President Timothy D. Sands, President, Virginia Polytechnic Institute and State University

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of **Virginia Polytechnic Institute and State University** (Virginia Tech) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Virginia Tech's basic financial statements and have issued our report thereon dated November 18, 2024. Our report includes a reference to another auditor who audited the financial statements of the component unit of Virginia Tech, as described in our report on Virginia Tech's financial statements. The other auditors did not audit the financial statements of the component unit of Virginia Tech in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the component unit of the University.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Virginia Tech's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Virginia Tech's internal control. Accordingly, we do not express an opinion on the effectiveness of Virginia Tech's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control titled "Properly Complete Federal Verification Prior to Disbursing Title IV Aid," which is described in the section titled "Internal Control and Compliance Finding and Recommendation," that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Virginia Tech's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the section titled "Internal Control and Compliance Finding and Recommendation" in the finding titled "Properly Complete Federal Verification Prior to Disbursing Title IV Aid."

The University's Response to Findings

We discussed this report with management at an exit conference held on November 21, 2024. Government Auditing Standards require the auditor to perform limited procedures on the University's response to the findings identified in our audit, which is included in the accompanying section titled "University Response." The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Status of Prior Findings

The University has taken adequate corrective action with respect to prior audit findings identified as complete in the Findings Summary included in the Appendix.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

AUDITOR OF PUBLIC ACCOUNTS

MBR/vks

AUDIT SUMMARY

We have audited the basic financial statements of Virginia Polytechnic Institute and State University (Virginia Tech) as of and for the year ended June 30, 2024, and issued our report thereon, dated November 18, 2024. Our report, included in Virginia Tech's Annual Financial Report, is available at the Auditor of Public Accounts' website at www.apa.virginia.gov and at Virginia Tech's website at www.vt.edu. Our audit found:

- the financial statements are presented fairly, in all material respects;
- one matter involving internal control and its operation necessary to bring to management's attention that also represents an instance of noncompliance with applicable laws and regulations or other matters that is required to be reported; and
- adequate corrective action with respect to prior audit findings and recommendations identified as complete in the Findings Summary included in the Appendix.

Our audit also included testing over the major federal program of the Student Financial Assistance Programs Cluster for the Commonwealth's Single Audit as described in the U.S. Office of Management and Budget Compliance Supplement; and found one internal control finding requiring management's attention and an instance of noncompliance in relation to this testing.

In the section titled "Internal Control and Compliance Finding and Recommendation" we have included our assessment of the conditions and causes resulting in the internal control and compliance finding identified through our audit as well as recommendations for addressing that finding. Our assessment does not remove management's responsibility to perform a thorough assessment of the conditions and causes of the findings and develop and appropriately implement adequate corrective actions to resolve the finding as required by the Department of Accounts in Topic 10205 – Agency Response to APA Audit of the Commonwealth Accounting Policies and Procedures Manual. Those corrective actions may include additional items beyond our recommendation.

INTERNAL CONTROL AND COMPLIANCE FINDING AND RECOMMENDATION

Properly Complete Federal Verification Prior to Disbursing Title IV Aid
Type: Internal Control and Compliance
Severity: Significant Deficiency

Virginia Tech personnel did not properly complete the federal verification process prior to disbursing Title IV aid. Management indicated the errors were due to a combination of factors including an error by the third-party vendor and an internal error in the computer logic that assigns students to specific tracking groups for required follow-up. We noted the following instances of noncompliance:

- For two out of 33 (6%) students flagged for verification, Virginia Tech staff did not request or obtain appropriate documentation to verify applications prior to awarding Title IV aid totaling $11,877.
- In one of 25 (4%) students tested, the third-party vendor verified an incorrect amount for the Education Tax Credit.

In accordance with Title 34 U.S. Code of Federal Regulations (CFR) § 668.54 through 34 CFR § 668.57, an institution must require an applicant whose Free Application for Federal Student Aid (FAFSA) information has been selected for verification to verify the information required by the Secretary. Free Application for Federal Student Aid (FAFSA) Information to be Verified for the 2023–2024 Award Year, Federal Register 87 F.R. 40826 outlines the information the Secretary requires to be verified and the acceptable documentation by Verification Tracking Flag and Verification Tracking Group. Further, in accordance with U.S. Department of Education (ED) Electronic Announcement GRANTS 24-04, published on April 12, 2024, Virginia Tech is required to verify all recipients selected for verification by ED's Central Processing System (CPS) unless a recipient is exempt from verification in accordance with the exclusions from verification provided for in the regulations at 34 CFR 668.54(b). By not performing or improperly performing the necessary verification, Virginia Tech may provide financial aid disbursements to students based upon inaccurate information.

Management should ensure the logic used in the student information system to assign students to Verification Tracking Groups is accurate. Management should implement corrective action to prevent future noncompliance and should consider implementing a quality control review to ensure that University personnel obtain, review, and retain acceptable documentation for audit purposes.

APPENDIX

FINDINGS SUMMARY

Finding Title	Status of Corrective Action*	First Reported for Fiscal Year
Improve Compliance over Enrollment Reporting	Complete	2018
Properly Complete Federal Verification Prior to Disbursing Title IV Aid	Ongoing	2024

* A status of **Complete** indicates adequate corrective action taken by management. **Ongoing** indicates new and/or existing findings that require management's corrective action as of fiscal year end.

VIRGINIA TECH

University Controller (MC 0312)
North End Center, Suite 3300, Virginia Tech
300 Turner Street NW
Blacksburg, Virginia 24061
P: (540) 231-6418 F: (540) 231-7221
www.co.vt.edu

January 21, 2025

Staci Henshaw, CPA
Auditor of Public Accounts
P. O. Box 1295
Richmond, VA 23218

Dear Ms. Henshaw:

We have reviewed the audit finding and recommendation resulting from the 2024 audit by the Auditor of Public Accounts. The university concurs with the finding and provides the following response.

University Response:

Virginia Tech updated the Banner tracking group logic to ensure verification is requested timely and reviewed all 2023-24 verification files ensuring required documents were on file. The university will include a weekly random sample of files flagged for verification and confirm that documentation is complete prior to disbursement. The university will provide additional annual training and a documentation requirements checklist to improve Specialist completion of the verification process and ensure consistent handling and retention of all required documents.

Responsible Person: Nicci Ratcliff, Associate Director for Processing Operations

Completion Date: July 31, 2025

Sincerely,

DocuSigned by:
Melinda West
FC2A3844762F4FF...

Melinda J. West, MBA CPA
Associate Vice President for Finance and
University Controller

Administrative Officers

Virginia Tech Board of Visitors

Edward H. Baine (Rector)
Carrie H. Chenery
Nancy Dye
Brad Hobbs
Donald Horsley
Letitia A. Long
John Rocovich
David Calhoun (Vice Rector)
Sandy C. Davis
Greta Harris
William Holtzman
Anna L. James
L. Chris Petersen
Jeff Veatch

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College of Agriculture and Life Sciences

Tsai Lu Liu
College of Architecture, Arts, and Design

Julia M. Ross
College of Engineering / Special Advisor to the President

Aimée Surprenant
College of Graduate Education

Paul Knox
Honors College

Laura Belmonte
College of Liberal Arts and Human Sciences

Paul M. Winistorfer
College of Natural Resources and Environment

Saonee Sarker
Pamplin College of Business

Kevin T. Pitts
College of Science

Tyler O. Walters
University Libraries

M. Daniel Givens
Virginia-Maryland College of Veterinary Medicine

Lee A. Learman
Virginia Tech Carilion School of Medicine

Financial Officers

Melinda J. West
Associate Vice President for Finance and University Controller

Timothy L. Hodge
Associate Vice President for Budget & Financial Planning

Robert T. Mann
Assistant Vice President for Capital Assets & Financial Management

Senior Officers

Timothy D. Sands
President

Cyril R. Clarke
Executive Vice President and Provost

Amy Sebring
Executive Vice President and Chief Operating Officer

Daniel Sui
Senior Vice President and Chief Research and Innovation Officer

Lance R. Collins
Vice President and Executive Director, Innovation Campus

Charles D. Phlegar
Senior Vice President for Advancement

Sharon Kurek
Vice President for Audit, Risk, and Compliance and Chief Risk Officer

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Vice President of Auxiliary and Business Services

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Tracy Vosburgh
Vice President of Communications and Marketing

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Guru Ghosh
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Kim T. O'Rourke
Vice President for Policy and Governance

Menah Pratt
Vice President for Strategic Affairs and Diversity

Steven H. McKnight
Vice President for Strategic Alliances

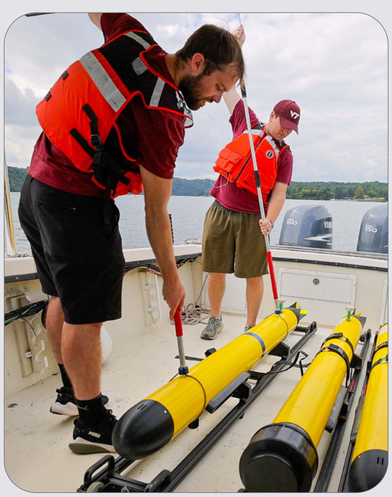
Lisa J. Wilkes
Vice President for Strategic Initiatives / Special Assistant to the President

Frances Keene
Vice President for Student Affairs



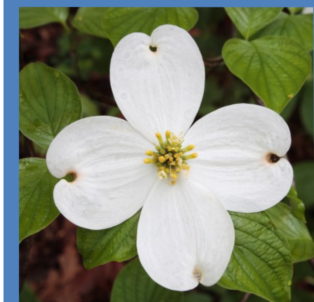




Photos courtesy of Communications and Marketing/Virginia Tech

Prepared by the Virginia Tech Office of the University Controller
Published January 2025
This report and reports from prior years are available at
www.controller.vt.edu/financialreporting.html




VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

INTERCOLLEGIATE ATHLETICS PROGRAMS FOR THE YEAR ENDED JUNE 30, 2024

Auditor of Public Accounts
Staci A. Henshaw, CPA
www.apa.virginia.gov
(804) 225-3350

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Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

January 16, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
Virginia Polytechnic Institute and State University

Timothy D. Sands
President, Virginia Polytechnic Institute and State University

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on the **Virginia Polytechnic Institute and State University's** (University) Statement of Revenues and Expenses of Intercollegiate Athletics Programs (Statement) for the year ended June 30, 2024. University management is responsible for the Statement and its compliance with National Collegiate Athletic Association (NCAA) requirements.

University management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating whether the Statement is in compliance with NCAA Constitution 20.2.4.17.1, for the year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

<u>Agreed-Upon Procedures Related to the</u>
<u>Statement of Revenues and Expenses of Intercollegiate Athletics Programs</u>

Procedures described below were limited to certain items. For the purpose of this report, and as defined in the agreed-upon procedures, revenue and expense reporting categories require detailed testing if they are greater than or equal to four percent of total revenues or total expenses, as applicable. Based on this defined threshold, we have not performed detailed testing on the following items:

Revenue Reporting Categories:

- Direct institutional support
- Indirect institutional support
- Guarantees
- In-Kind
- NCAA distributions
- Conference distributions (non-media and non-football bowl)
- Program, novelty, parking, and concession sales
- Sports camp revenues
- Athletics-Restricted endowment and investment income
- Other operating revenue
- Football bowl revenue

Expense Reporting Categories:

- Guarantees
- Severance payments
- Recruiting
- Sports equipment, uniforms, and supplies
- Fundraising, marketing and promotion
- Sport camp expenses
- Spirit groups
- Athletic facility leases and rental fees
- Indirect institutional support
- Medical expenses and insurance
- Memberships and dues
- Student-Athlete meals (non-travel)
- Football bowl expenses
- Football bowl expenses – coaching compensation/bonuses

For purposes of performing these procedures, no exceptions were reported for differences of less than one-tenth of one percent (0.10%) of revenues and expenses, as applicable. We have not investigated any differences and/or reconciling items below the reporting threshold while performing these agreed-upon procedures. We did not perform any procedures over reporting items with zero balances, which have been excluded from the Statement herein. The procedures were performed and associated findings are as follows:

Internal Controls

1. We reviewed the relationship of internal control over intercollegiate athletics programs to internal control reviewed in connection with our audit of the University's financial statements. In addition, we identified and reviewed those controls unique to the

Intercollegiate Athletics Department, which were not reviewed in connection with our audit of the University's financial statements.

2. Intercollegiate Athletics Department management provided a current organizational chart. We also made certain inquiries of management regarding control consciousness, the use of internal audit in the department, competence of personnel, protection of records and equipment, and controls regarding information systems with the Information Technology Department.

3. Intercollegiate Athletics Department management provided us with their process for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the University's intercollegiate athletics programs. We tested these procedures as noted below.

Affiliated and Outside Organizations

4. Intercollegiate Athletics Department management identified all related affiliated and outside organizations and provided us with copies of audited financial statements for each such organization for the reporting period.

5. Intercollegiate Athletics Department management prepared and provided to us a summary of revenues and expenses for or on behalf of the University's intercollegiate athletics programs by affiliated and outside organizations included in the Statement.

6. Intercollegiate Athletics Department management provided to us any additional reports regarding internal control matters identified during the audits of affiliated and outside organizations performed by independent public accountants. We were not made aware of any internal control findings.

Statement of Revenues and Expenses of Intercollegiate Athletics Programs

7. Intercollegiate Athletics Department management provided to us the Statement of Revenues and Expenses of Intercollegiate Athletics Programs for the year ended June 30, 2024, as prepared by the University and shown in this report. We recalculated the addition of the amounts in the Statement, traced the amounts on the Statement to management's trial balance worksheets, and agreed the amounts in management's trial balance worksheets to the Intercollegiate Athletics Department's accounts in the accounting records. Certain adjustments to the Statement were necessary to conform to NCAA reporting guidance. We discussed the nature of adjusting journal entries with management and are satisfied that the adjustments are appropriate.

8. We compared each major revenue and expense account over ten percent of total revenues or total expenses, respectively, to prior period amounts and budget estimates.

Variances exceeding ten percent of prior period amounts or budget estimates are explained below:

Line Item	Explanation
Contributions	The increase of $4.4 million or 16.1% is related to additional funding from the Virginia Tech Foundation primarily attributable to increases in scholarship and overall operating expenses.
Media rights	The decrease of $8.1 million or 19.2% is due to the reclassification of IMG-Learfield revenue from this line item in the prior fiscal year to the Royalties, Licensing, Advertisement, and Sponsorships line item for fiscal year 2024.
Athletic student aid	The increase of $3.8 million or 23.6% is due to increases in tuition, room and board, and cost of attendance and the addition of approximately $2.1 million in academic incentive payments.

Revenues

9. We reviewed two monthly ticket sales reconciliations performed for accuracy and proper review and approval. We performed a recalculation of ticket sales revenue for football and men's basketball by comparing the number of tickets sold, attendance, and sale price from the third-party ticketing system to total revenue recorded in the Statement. We determined the reconciliations reviewed to be accurate and properly approved. Revenue in the Statement was higher by $2.1 million for football and $493,031 for basketball due to student season tickets, handling and processing fees, and other adjusting entries.

10. We obtained documentation of the University's methodology for allocating student fees to intercollegiate athletics programs. We compared student fees reported in the Statement to amounts reported in the accounting records and an expected amount based on fee rates and enrollment. We found a difference of $375,238, which we attribute to the methodology used to estimate student fee revenue compared to actual distributions of student fees to the department.

11. Intercollegiate Athletics Department management provided us with a listing of all contributions of money, goods or services received directly by its intercollegiate athletics programs from any affiliated or outside organization, agency or group of individuals that constitutes ten percent or more of all contributions received during the reporting period. Except for contributions received from the Virginia Tech Foundation (VTF), an affiliated organization, we noted no individual contribution which constituted more than ten percent of total contributions received for intercollegiate athletics programs. We

reviewed contributions from the VTF, which exceeded ten percent of all contributions, and agreed them to supporting documentation.

12. Intercollegiate Athletics Department management provided us with a listing and copies of all agreements related to media rights. We gained an understanding of the relevant terms of the agreements and agreed selected amounts to proper posting in the accounting records and supporting documentation with no reportable differences.

13. Intercollegiate Athletics Department management provided us with a listing and copies of all agreements related to participation in revenues from tournaments, conference distributions, and NCAA distributions. We inspected the terms of the agreements and agreed selected amounts to proper posting in the accounting records and supporting documentation with no reportable differences.

14. Intercollegiate Athletics Department management provided us with a listing and copies of all agreements related to participation in revenues from royalties, licensing, advertisement, and sponsorships. We inspected the terms of the agreements and agreed selected amounts to proper posting in the accounting records and supporting documentation. Subsequent to providing the Statement, the University notified us of a reclassification to increase royalties, licensing, advertisement and sponsorships revenue by $400,000 (and decrease direct institutional support by the same amount) to correct an error. Following adjustment, we found royalties, licensing, advertisement, and sponsorships to be properly stated.

Expenses

15. Intercollegiate Athletics Department management provided us a listing of student aid recipients during the reporting period. Since the University did not use the NCAA Compliance Assistant software to prepare athletic aid detail, we selected 60 individual student athletes across all sports and obtained the students' account detail from the University's student information system. We agreed each student's information to the information reported in the NCAA Membership Financial Reporting System. We identified seven students with variances of $400, 46 students with variances of $800, one student with a variance of $1,589, and three students with variances of $2,099, which are attributable to reporting estimated book fees and computer equipment. We also ensured that the total aid amount for each sport agreed to amounts reported as financial aid in the student accounting system and performed a check of selected students' information as reported in the NCAA Membership Financial Reporting System to ensure proper calculation of revenue distribution equivalencies and noted no reportable differences.

16. Intercollegiate Athletics Department management provided us with a listing of coaches, support staff, and administrative personnel employed and paid by the University during the reporting period. We selected five coaches, including football and men's and women's basketball coaches, and five support and administrative personnel and

compared amounts paid during the fiscal year from the payroll accounting system to their contract or other employment agreement document. We found that recorded expenses equaled amounts paid as salary and bonuses and were in agreement with approved contracts or other documentation with no reportable differences.

17. We obtained the Intercollegiate Athletics Department's written recruiting and team travel policies from Intercollegiate Athletics Department management and documented an understanding of those policies. We compared these policies to existing University and NCAA policies and noted substantial agreement of those policies.

18. We selected a sample of five disbursements each for team travel, game expenses, direct overhead and administration expenses, and other operating expenses. We compared and agreed the selected operating expenses to adequate supporting documentation. We found all reviewed amounts to be properly approved, reasonable to intercollegiate athletics, and properly recorded in the accounting records with no reportable differences.

19. We obtained a listing of debt service payments for athletic facilities for the reporting year. We selected a sample of three debt service payments included in the Statement, as well as the two highest payments, and agreed them to supporting documentation with no reportable differences.

20. We obtained an understanding of the University's methodology for charging indirect cost to the Intercollegiate Athletics Department. We evaluated indirect cost charges for reasonableness and noted proper reporting of these charges in the Statement with no reportable differences.

Other Reporting Items

21. We obtained repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. We recalculated annual maturities reported in the notes to the Statement and agreed total annual maturities and total outstanding athletic-related debt to supporting documentation with no reportable differences.

22. We agreed total outstanding institutional debt to supporting debt schedules and the University's audited financial statements with no reportable differences.

23. We agreed the fair value of athletics-dedicated endowments to supporting documentation provided by the University with no reportable differences.

24. We agreed the fair value of institutional endowments to supporting documentation and the audited financial statements of the University's Foundation with no reportable differences.

25. We obtained a schedule of athletic-related capital expenditures made during the period. We selected a sample of five transactions to validate existence and accuracy of recording and recalculated totals with no reportable differences.

Additional Procedures

26. We compared the sports sponsored by the University, as reported in the NCAA Membership Financial Reporting System, to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from the ARMS software for the University. We noted agreement of the sports reported.

27. We compared total current year grants-in-aid revenue distribution equivalencies to total prior year reported equivalencies per the NCAA Membership Financial Report submission and noted no variations exceeding four percent when compared to prior year.

28. We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports identified by the institution met the minimum requirements for number of contests and minimum number of participants as defined in NCAA Bylaw 20.10.6.3. We ensured that countable sports have been properly identified in the NCAA Membership Financial Reporting System for the purpose of revenue distribution calculations.

29. We compared the current number of sports sponsored to the prior year total reported in the University's NCAA Membership Financial Report submission and noted no variations when compared to prior year.

30. We obtained a listing of student-athletes receiving Pell grant awards from the University's student information system and agreed the total value of these Pell grants to the amount reported in the NCAA Membership Financial Reporting System. We noted agreement of the amounts reported.

31. We compared the total number of Pell grant awards in the current year to the number reported in the prior year NCAA Membership Financial Report submission. We noted no variations greater than 20 grants when compared with the prior year.

We were engaged by University management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. We were not engaged to and did not conduct an audit, examination, or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Statement of Revenues and Expenses of Intercollegiate Athletics Programs or any of the accounts or items referred to above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the University and its management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

DLR/clj

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
STATEMENT OF REVENUES AND EXPENSES OF
INTERCOLLEGIATE ATHLETICS PROGRAMS
For the year ended June 30, 2024

	Football	Men's Basketball	Women's Basketball	Men's Other Sports	Women's Other Sports	Non-Program Specific	Total
Operating revenues:							
Ticket sales	$ 15,969,985	$ 2,333,156	$ 849,521	$ 161,024	$ -	$ -	$ 19,313,686
Student fees	-	-	-	-	2,681,153	11,860,903	14,542,056
Direct institutional support	-	-	-	-	-	825,000	825,000
Indirect institutional support	-	-	-	-	-	1,595,714	1,595,714
Guarantees	575,000	30,000	150,000	-	11,000	-	766,000
Contributions	9,072,148	886,236	726,644	791,514	717,488	19,520,044	31,714,074
In-Kind	9,125	9,326	-	25,000	2,949	21,303	67,703
Media rights	28,007,335	5,072,000	176,000	171,500	226,000	159,500	33,812,335
NCAA distributions	290,333	1,886,503	65,892	366,850	503,312	981,710	4,094,600
Conference distributions (non-media and non-football bowl)	271,898	303,731	-	-	-	41,179	616,808
Conference distributions of football bowl generated revenue	8,039,205	-	-	-	-	-	8,039,205
Program, novelty, parking, and concession sales	1,693,469	104,816	109,685	67,734	21,897	38,520	2,036,121
Royalties, licensing, advertisement and sponsorships	10,720,851	1,026,804	514,303	708,303	694,000	623,288	14,287,549
Sports camp revenues	104,993	-	-	-	-	-	104,993
Athletics-Restricted endowment and investments income	-	-	-	-	-	4,726,936	4,726,936
Other operating revenue	988,684	-	-	36,534	36,222	546,814	1,608,254
Football bowl revenues	1,307,757	-	-	-	-	-	1,307,757
Total operating revenues	77,050,783	11,652,572	2,592,045	2,328,459	4,894,021	40,940,911	139,458,791
Operating expenses:							
Athletic student aid	5,246,265	903,021	871,224	4,711,250	6,232,608	1,851,586	19,815,954
Guarantees	575,000	554,509	109,803	43,194	17,992	-	1,300,498
Coaching salaries, benefits, and bonuses paid by the university and related entities	10,930,356	4,006,186	2,533,015	4,339,198	3,687,767	-	25,496,522
Support staff/administrative compensation, benefits, and bonuses paid by the university and related entities	3,404,424	1,100,051	796,052	339,085	321,993	16,007,905	21,969,510
Severance payments	11,597	34,991	14,224	29,258	22,258	86,135	198,463
Recruiting	1,241,690	528,532	155,803	409,220	361,373	569	2,697,187
Team travel	1,781,801	1,010,857	835,083	1,426,870	1,631,389	1,964	6,687,964
Sports equipment, uniforms, and supplies	1,891,057	189,120	314,577	1,076,250	1,036,494	47,810	4,555,308
Game expenses	3,237,931	779,702	563,558	482,726	291,196	925,753	6,280,866
Fundraising, marketing and promotion	361,083	37,008	59,794	43,119	65,519	2,164,326	2,730,849
Sports camp expenses	171,514	-	-	-	-	-	171,514
Spirit groups	3,123	12,992	7,757	-	25,000	429,806	478,678
Athletic facility leases and rental fees	3,965	-	-	126,020	126,020	159,888	415,893
Athletic facility debt service	1,900,344	202,998	202,998	-	-	4,114,086	6,420,426
Direct overhead and administrative expenses	2,915,230	93,452	303,880	475,377	1,041,171	6,206,299	11,035,409
Indirect cost paid to the institution by athletics	-	-	-	-	-	6,837,780	6,837,780
Indirect institutional support	-	-	-	-	-	1,595,714	1,595,714
Medical expenses and insurance	233,984	24,308	31,446	317,222	367,985	786,381	1,761,326
Memberships and dues	14,360	2,995	3,000	22,669	20,729	35,036	98,789
Student-Athlete meals (non-travel)	1,215,780	176,678	108,606	963,117	815,697	135,533	3,415,411
Other operating expenses	3,862,070	290,773	298,721	442,115	286,139	1,639,717	6,819,535
Football bowl expenses	1,724,650	-	-	-	-	-	1,724,650
Football bowl expenses - coaching compensation/bonuses	250,000	-	-	-	-	-	250,000
Total operating expenses	40,976,224	9,948,173	7,209,541	15,246,690	16,351,330	43,026,288	132,758,246
Excess (deficiency) of revenues over (under) expenses	$ 36,074,559	$ 1,704,399	$ (4,617,496)	$ (12,918,231)	$ (11,457,309)	$ (2,085,377)	$ 6,700,545

Other Reporting Items:	
Total athletics-related debt	$ 89,660,000
Total institutional debt	$ 748,105,000
Value of athletics-dedicated endowments	$ 77,368,250
Value of institutional endowments	$ 1,950,219,847
Total athletics-related capital expenditures	$ 13,741,000

The accompanying Notes to the Statement of Revenues and Expenses of Intercollegiate Athletics Programs are an integral part of this Schedule.

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
NOTES TO STATEMENT OF REVENUES AND EXPENSES OF INTERCOLLEGIATE ATHLETICS PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2024

1. BASIS OF PRESENTATION

The accompanying Statement of Revenues and Expenses of Intercollegiate Athletics Programs has been prepared on the accrual basis of accounting. The purpose of the Statement is to present a summary of revenues and expenses of the intercollegiate athletics programs of the University for the year ended June 30, 2024. The Statement includes those intercollegiate athletics revenues and expenses made on behalf of the University's athletics programs by outside organizations not under the accounting control of the University. Because the Statement presents only a selected portion of the activities of the University, it is not intended to and does not present either the financial position, changes in financial position, or cash flows for the year then ended. Revenues and expenses directly identifiable with each category of sport presented are reported accordingly. Revenues and expenses not directly identifiable to a specific sport are reported under the category "Non-Program Specific."

2. AFFILIATED ORGANIZATIONS

The University received $36,441,010 from the Virginia Tech Foundation, Inc. Approximately $15,463,103 of these funds were used for grant-in-aid scholarships for student-athletes. These amounts received are included in the accompanying Schedule as follows: $31,714,074 is included in the Contributions line item and 4,726,936 is included in the Athletics-Restricted Endowment and Investments Income line item.

3. LONG-TERM DEBT, LONG-TERM LEASES, AND SBITAs

Externally-funded debt

The University, on behalf of the intercollegiate athletics program, has obtained debt financing for capital improvement projects as needed. These debts consist of Section 9(d) revenue bonds issued by the University and will be repaid by the program using operating revenues and private fundraising proceeds. Outstanding principal as of June 30, 2024 (in dollars):

Project	Maturity	Principal
Indoor Practice Facility		
Series 2015B, 9(d) revenue bond	2035	$ 510,000
Series 2021, 9(d) revenue bond	2036	40,000
Lane Stadium - West Side Expansion		
Series 2021, 9(d) refunding revenue bond	2041	20,755,000
Lane Stadium - South End Zone		
Series 2021, 9(d) refunding revenue bond	2041	6,710,000
Hahn Hurst Basketball Practice Center		
Series 2021, 9(d) refunding revenue bond	2041	5,775,000
		$33,790,000

Internally-funded debt

The University has internally loaned the intercollegiate athletics program funds for capital improvement projects as needed. These debts will be repaid by the program using operating revenues and private fundraising proceeds. Outstanding principal as of June 30, 2024 (in dollars):

Project	Maturity	Principal
Student Athletic Performance Center	2029	$ 2,313,000
ACC Media Studio	2031	7,436,000
Creativity and Innovation District	2041	18,416,000
Baseball Stadium and Rector Field House	2045	25,538,000
		$53,703,000

Long-term lease payable

The University, on behalf of the intercollegiate athletics program, has entered into a long-term lease with the Town of Christiansburg for the use of the town's aquatic center with payments ending in 2029. The lease will be paid by the program using operating revenues and private fundraising proceeds. As of June 30, 2024, the outstanding principal on this lease was $1,137,000.

Subscription-based Information Technology Agreements (SBITAs)

The University, on behalf of the intercollegiate athletics program, has entered into multiple SBITAs to support the program's operations with various end dates. The SBITAs will be paid by the program using operating revenues and private fundraising proceeds. As of June 30, 2024, the outstanding principal for SBITAs was $1,030,000.

A summary of future principal and interest commitments for fiscal years subsequent to June 30, 2024, is presented as follows (in dollars):

	Principal	Interest	Total
2025	$ 5,761,000	$ 1,580,000	$ 7,341,000
2026	5,569,000	1,500,000	7,069,000
2027	5,581,000	1,418,000	6,999,000
2028	5,373,000	1,332,000	6,705,000
2029	5,144,000	1,246,000	6,390,000
2030-2034	21,170,000	4,950,000	26,120,000
2035-2039	21,002,000	3,030,000	24,032,000
2040-2044	19,102,000	1,024,000	20,126,000
2045	958,000	17,000	975,000
	$89,660,000	$16,097,000	$105,757,000

4. UNIVERSITY ADMINISTRATION FEE

As with all auxiliary enterprises, the University charges the Athletic Department an administrative fee. During the fiscal year, the Athletic Department paid $6,837,780 to the University. This amount is included in the Indirect Cost Paid to the Institution by Athletics line item in the Non-Program Specific category.

5. CAPITAL ASSETS

Capital assets consisting of buildings, infrastructure, and equipment are stated at appraised historical cost or actual cost where determinable. Construction in progress (CIP) is capitalized at actual cost as expenses are incurred. All gifts of capital assets are recorded at acquisition value as of the donation date.

Intangible right-to-use assets consisting of the right-to-use buildings are stated at the net present value of future minimum lease payments at the commencement of the lease term. Intangible right-to-use assets are recognized when the net present value of future minimum lease payments is $50,000 or greater.

Subscription-based information technology arrangements (SBITAs) are stated at the net present value of future minimum subscription payments at the commencement of the subscription term. SBITAs are recognized when the net present value of future minimum subscription payments is $50,000 or greater.

Equipment is capitalized when the estimated useful life is one year or more, and unit acquisition cost is $2,000 or greater or acquisition costs are significant when aggregated. Software is capitalized when the acquisition and/or the development costs exceed $100,000. Renovation costs are capitalized when expenses total more than $100,000, the asset value significantly increases, or the useful life is significantly extended. Routine repairs and maintenance are charged to operating expense in the year the expense is incurred.

Depreciation is computed using the straight-line method over the useful life of the assets. The useful life is 40 to 60 years for buildings, ten to 50 years for infrastructure and land improvements, and three to 30 years for fixed and movable equipment. Right-to-use lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The beginning balance has been restated for the implementation of GASB Implementation Guide 2021-1, Question 5.1 for pooled assets and for error corrections related to SBITAs. A summary of changes in capital assets follows for the year ending June 30, 2024 (all dollars in thousands):

	Beginning Balance (Restated)	Additions	Retirements	Ending Balance
Depreciable capital assets				
Buildings	$237,634	$3,129	$ -	$240,763
Moveable equipment	16,538	784	317	17,005
Software	313	-	-	313
Fixed equipment	14,917	355	-	15,272
Infrastructure	23,080	989	-	23,069
Right to use leases – buildings	1,976	-	-	1,976
SBITAs	1,840	193	58	1,975
Total depreciable capital assets, at cost	296,298	5,450	375	301,373
Less accumulated depreciation				
Buildings	78,489	5,379	-	83,868
Moveable equipment	9,929	1,399	317	11,011
Software	313	-	-	313
Fixed equipment	7,512	677	-	8,189
Infrastructure	19,324	672	-	19,996
Right to use leases – buildings	418	140	-	558
SBITAs	552	449	58	943
Total accumulated depreciation	116,537	8,716	375	124,878
Total depreciable capital assets, net of accumulated depreciation and amortization	179,761	(3,266)	-	176,495
Non-depreciable capital assets				
Construction in progress	4,408	10,592	2,301	12,699
Total non-depreciable capital assets	4,408	10,592	2,301	12,699
Total capital assets, net of accumulated depreciation and amortization	$184,169	$7,326	$2,301	$189,194

Tab 3

Updated Auditing Standards

Justin Noble, Chief Audit Executive

VIRGINIA TECH

The IIA and OSIG Directives

- The Institute of Internal Auditors (IIA) is an international professional association and is considered the global internal audit profession's standard setter.

- In January 2025, the IIA's revised ***Global Internal Audit Standards*** went into effect.

- The Virginia Office of State Inspector General (OSIG) has responsibility for coordinating and requiring standards for the Commonwealth's internal audit functions.

- OSIG, in a General Directive, requires all internal audit functions to comply with the IIA's ***Global Internal Audit Standards***.

Key Changes

- Clarified the expected support from the audit committee and senior management.
- Elevated requirements for performance management, including a focus on strategic planning and execution.
- Moved to a more relationship focused view of audit and management.
- Updated to more prescriptive expectations around documentation and evidence.
- Required topical reviews concerning certain topics.

The New Standards – 5 Domains

1 – Purpose of Internal Auditing	The purpose statement is intended to assist internal auditors and internal audit stakeholders in understanding and articulating the value of internal audit.
2 – Ethics and Professionalism	The ethics and professionalism principles and standards comprise internal auditors' code of ethics. They outline the behavioral expectations of professional internal auditors and chief audit executives.
3 – Governing the Function	Activities and conditions of the board and senior management that are considered essential to the internal audit function's ability to fulfill its purpose and mandate.
4 – Managing the Function	The chief audit executive's responsibility includes strategic planning, obtaining and deploying resources, building relationships and communicating with stakeholders to provide objective assurance and advice, and ensuring and enhancing the performance of the function.
5 – Performing the Internal Audit Services	Performing internal audit services requires internal auditors to effectively plan engagements, conduct the work to develop findings, recommendations, and conclusions; and collaboratively communicate with the management and employees responsible for the activity under review.

VIRGINIA TECH

Summary of Key Board Expectations

Purpose, Ethics, and Professionalism

- Review purpose statement in charter and strategy
- Support direct accountability and access to Board
- Ensure independence and require annual CAE confirmation
- Support resource needs, including competency, training, and budget

Governance and Oversight

- Ensure CAE functional reporting to the Board
- Approve Charter, audit plan, performance objectives, budget, quality assessment plans
- Review function strategy, CAE qualifications, compensation, performance evaluation
- Agree with the CAE on frequency and nature of updates and review the same

Manage the Function and Performance

- Support audit, as needed, to fulfill its mandate, charter, strategy, and audit plan
- Support audit regarding stakeholder relationships and coordinated assurance efforts
- Review audit risk rating scale and support engagement-level resource needs
- Support Internal Audit if action is needed to remove management barrier to find remediation

Summary of Management Expectations

Purpose, Ethics, and Professionalism

- Review purpose statement in charter and strategy
- Support direct accountability and access to Board
- Support the methodology for addressing ethical concerns
- Support conformance to the IIA Standards through training budget needs

Governance and Oversight

- Position CAE at a level that enables meeting the mandate, charter, and purpose
- Support CAE access and meetings with the Board and management
- Enable audit access to data, information, personnel, and physical assets
- Support periodic quality assessments, review results, and support action plans

Manage the Function and Performance

- Enable CAE's knowledge of organization's strategies, objectives, and risks
- Support audit regarding stakeholder relationships and coordinated assurance efforts
- Provide input into audit's annual plan, review final plan, and significant changes
- Review risk rating scales, help remove obstacles, and support communications

Next Steps

- An internal review has been conducted.
- A Quality Assurance Review Self-Assessment is being conducted this semester.
- Identified non-conformance or opportunities for stronger conformance will result in a documented action plan.
- Report and plan to be shared with the Board and management. Anticipated at August 2025 BOV meeting.

DISCUSSION

Internal Audit Reports

COMPLIANCE, AUDIT, AND RISK COMMITTEE

March 25, 2025

Background

This report provides a summary of the following reviews and their ratings, as well as the full rating system definitions. The Office of Audit, Risk, and Compliance has made a concerted effort to ensure progress on the annual audit plan.

Consent Agenda Reports	**Rating**
Agricultural Research and Extension Centers	Improvements are Recommended
Electrical and Computer Engineering	Improvements are Recommended
Undergraduate Admissions	Effective
Reports for Discussion	**Rating**
Programs for Minors	Improvements are Recommended
Student Immigration Processes	Improvements are Recommended

Summary of Audit Ratings

The Office of Audit, Risk, and Compliance's rating system has four tiers from which to assess the controls designed by management to reduce exposures to risk in the area being audited. The auditor can use professional judgment in constructing the exact wording of the assessment in order to capture varying degrees of deficiency or significance.

Definitions of each assessment option

Effective – The audit identified opportunities for improvement in the internal control structure, but business risks are adequately controlled in most cases.

Improvements are Recommended – The audit identified occasional or isolated business risks that were not adequately or consistently controlled.

Significant or Immediate Improvements are Needed – The audit identified several control weaknesses that have caused, or are likely to cause, material errors, omissions, or irregularities to go undetected. The weaknesses are of such magnitude that senior management should undertake immediate corrective actions to mitigate the associated business risk and possible damages to the organization.

Unreliable – The audit identified numerous significant business risks for which management has not designed or consistently applied controls prior to the audit. Persistent and pervasive control weaknesses have caused or could cause significant errors, omissions, or irregularities to go undetected. The weaknesses are of such magnitude that senior management must undertake immediate corrective actions to bring the situation under control and avoid (additional) damages to the organization.

RECOMMENDATION:

That the internal audit reports listed above be accepted by the Compliance, Audit, and Risk Committee.

March 25, 2025

Open Session Agenda

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

To begin immediately following the Closed Session
Latham Ballroom A/B, The Inn at Virginia Tech

March 24, 2025

	Agenda Item	Reporting Responsibility
	1. Motion to Reconvene in Open Session	John Rocovich
	2. Welcome and Opening Remarks	Dave Calhoun
	3. Consent Agenda a. Approval of Items Discussed in Closed Session b. Approval of Minutes of the November 19, 2024 Meeting	Dave Calhoun
	4. State Legislative and Budget Update	Elizabeth Hooper Tim Hodge
*#+	5. Resolution for Approval of 2025-26 Tuition and Fee Rates	Simon Allen Tim Hodge
#	6. Federal Legislative Update and Financial Impacts	Chris Yianilos Simon Allen
*	7. Approval of Year-to-Date Financial Performance Report (July 1, 2024 – December 31, 2024)	Tim Hodge Rob Mann
#	8. Update on Advancement	Charlie Phlegar
	9. University's Annual Financial Statements	Simon Allen Melinda West
	10. Intercollegiate Athletics Programs Report for Year Ended June 30, 2024	Melinda West
	11. Discussion of Future Agenda Topics and Closing Remarks	Dave Calhoun

* **Requires full Board approval**
\# **Discusses Enterprise Risk Management topic(s)**
\+ **Discusses Strategic Investment Priorities topic(s)**

Briefing Report

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

March 24, 2025

Open Session

1. **Motion to Reconvene in Open Session**

2. **Welcome and Opening Remarks**

3. **Consent Agenda:** The Committee will consider for approval and acceptance the items listed on the Consent Agenda.

   a. **Approval of Items Discussed in Closed Session:** The Committee will review and approve the items discussed in closed session.

   b. **Approval of Minutes of the November 19, 2024 Meeting:** The Committee will review and approve the minutes of the November 19 meeting.

4. **State Legislative and Budget Update:** The Committee will receive a state legislative update, including an overview of the legislation that passed and failed during the 2025 General Assembly session. This update also includes information on the commonwealth's fiscal year 2026 budget and the one-time nature of much of the support.

*#+ 5. **Resolution for Approval of 2025-26 Tuition and Fee Rates:** The Committee will review for approval a resolution to approve the proposed 2025-26 tuition and fee rates. The 2004 General Assembly authorized "Board of Visitors . . . of institutions of higher education may set tuition and fee charges at levels they deem to be appropriate for all resident student groups based on, but not limited to, competitive market rates…" The Committee will receive an overview of the unavoidable cost drivers of tuition and fee rates, including state-mandated faculty and staff compensation, healthcare rate increases, and other unavoidable cost increases.

   For 2025-26, the university proposes increases in tuition rates (2.9 percent) and mandatory educational and general (E&G) fee rates (0.4-2.7 percent) for: in-state and out-of-state undergraduate and graduate students; Virginia/Maryland Regional College of Veterinary Medicine students; and Virginia Tech Carilion School of Medicine students.

   The university recommends an increase of $186 to the total comprehensive fee and 4.4 percent average increase in room and board.

#+ 6. **Federal Legislative Update and Financial Impacts:** The Committee will receive a federal legislative update, including an overview of the financial impacts of recent federal legislative changes.

* 7. **Approval of Year-to-Date Financial Performance Report (July 1, 2024 – December 31, 2024):** The Committee will review for approval the Year-to-Date Financial Performance Report for July 1, 2024 to December 31, 2024. For the second quarter, budget adjustments were made to reflect revisions to projected revenues and expenditures. The report shows the actual revenues and expenses compared to the budgets and the overall status and expenditures of ongoing capital projects. As of December 31, 2024 operating revenues and expenditures are on track.

8. **Update on Advancement:** University Advancement will provide a mid-year report on activities and fundraising efforts including giving totals, campaign fundraising and engagement progress, Giving Day success, and strategic work on a future roadmap.

9. **University's Annual Financial Statements:** The Committee will receive an overview of the university's annual financial statements for the fiscal year ending June 30, 2024. The financial statements have been prepared in accordance with generally accepted accounting principles, and the Auditor of Public Accounts (APA) issued an unmodified (or clean) opinion with no material weaknesses.

   The institution is in a solid financial position. The steady return on net position indicates sustainable growth, positioning the institution well for future investments and economic uncertainties. Total revenues for fiscal year 2024 were $2.37 billion, an increase of $169.3 million or 7.7 percent over fiscal year 2023. Total operating expenses for fiscal year 2024 were $1.95 billion, an increase of $143.5 million or 7.9 percent over fiscal year 2023.

10. **Intercollegiate Athletics Programs Report for Year Ended June 30, 2024:** The Committee will receive a report on the Auditor of Public Accounts (APA) Intercollegiate Athletics Program Schedule of Revenues and Expenses review for fiscal year 2024. The APA has not identified any matters requiring adjustments to the Schedule at the time of this report. In addition to the Schedule, the agreed-upon procedures address internal controls, affiliated and outside organizations, and separate procedures for specific revenues and expenses.

    Total revenues for fiscal year 2024 were $140 million, an increase of $10 million or 7.7 percent. Total expenses for fiscal year 2024 were $133 million, an increase of $16 million or 13.7 percent. Athletics-related long-term debt, leases and subscriptions at the end of fiscal year 2024 totaled $89.7 million.

11. **Discussion of Future Agenda Topics and Closing Remarks:** The Committee will discuss possible topics for future meetings and other topics as needed.

Consent Agenda

a. Approval of Items Discussed in Closed Session
b. Approval of Minutes of the November 19, 2024 Meeting

Committee Minutes

FINANCE AND RESOURCE MANAGEMENT COMMITTEE
Latham Ballroom B, the Inn at Virginia Tech
November 19, 2024

Joint Open Session

Board members present: Janice Austin – Administrative and Professional Faculty Representative, Ed Baine, LaTawnya Burleson – Staff Representative, David Calhoun, Sandy Davis (Electronic via Zoom), Nancy Dye, Don Horsley, Anna James, Starlette Johnson, Ryan McCarthy, Jim Miller, Leslie Orellana – Undergraduate Student Representative, J. Pearson, John Rocovich

University personnel and guests: Simon Allen, Beth Armstrong, Mac Babb, Callan Bartel, Lynsay Belshe, Jeff Earley, Thomas Feeley, Suzanne Gooding, Kay Heidbreder, Tim Hodge, Andrew Jessup, Anne Keeler, Frances Keene, Sharon Kurek, Katie Lynch, Rob Mann, Elizabeth McClanahan, Nancy Meacham, Laurel Miner, Mike Mulhare, Kim O'Rourke, Mark Owczarski, Charlie Phlegar, President Tim Sands, Amy Sebring, Brennan Shepard, Ken Smith, Mike Staples, Michael Stowe, Dan Sui, Monecia Taylor, Dwyn Taylor, Jon Clark Teglas, Mike Walsh, Jake Wierer

* 1. **Approval of Resolution for a Capital Planning Project for a New Virginia Tech Rescue Squad Facility:** The Committees reviewed for approval a resolution for a $2 million capital planning project for a new Virginia Tech rescue squad facility. This project is for an approximately 12,500 gross square foot building and the estimated total project cost is $16 million.

The Committees recommended the Resolution for a Capital Planning Project for a New Virginia Tech Rescue Squad Facility to the full Board for approval.

Open Session

Board members present: Janice Austin – Administrative and Professional Faculty Representative, Ed Baine, LaTawnya Burleson – Staff Representative, David Calhoun, Anna James, Starlette Johnson, Ryan McCarthy, Jim Miller, John Rocovich

* **Requires full Board approval**
 # Discusses Enterprise Risk Management topic(s)
+ Discusses Strategic Investment Priorities topic(s)

University personnel and guests: Simon Allen, Beth Armstrong, Lauren Augustine, Callan Bartel, Caroline Buscaglia, Corey Earles, Jeff Earley, Martha Glass, Suzanne Gooding, Suzanne Griffin, Rebekah Gunn, Tim Hodge, Andrew Jessup – guest, Anne Keeler, Sharon Kurek, Rob Mann, Elizabeth McClanahan, Nancy Meacham, Laurel Miner, Jeff Mitchell – guest, Mike Mulhare, Charlie Phlegar, Menah Pratt, Tim Sands, Amy Sebring, Brennan Shepard, Michael Staples, Michael Stowe, Dan Sui, Dwyn Taylor, Monecia Taylor, Mike Walsh, Melinda West, Chris Wise

1. **Motion to Reconvene in Open Session**

2. **Welcome and Opening Remarks**

3. **Consent Agenda:** The Committee considered for approval and acceptance the items listed on the Consent Agenda.

   a. **Approval of Items Discussed in Closed Session**

   b. **Approval of Minutes of the August 28, 2024 Meeting**

   c. **Annual Report on the Write-Off of Delinquent Accounts:** As of June 30, 2024, the amount of write-offs of delinquent accounts totaled $642,662 which represents 0.04 percent of the 2023 annual operating revenues of $1.4 billion. The current year write-off is consistent with the total write-off amounts in recent years.

* d. **Approval of Resolution on Ratification of Lease Activities Approved by the University:** The university approves, and the Board of Visitors ratifies, lease activities below the capital project threshold according to the process the Board of Visitors approved at the June 2021 meeting. The university-approved lease portfolio had an ending balance of $190 million at June 30, 2024, with $151 million attributable to leases with the Virginia Tech Foundation.

* e. **Approval of Resolution on Ratification of Subscription Based Information Technology Arrangements (SBITA) Under GASB-96:** The university approves, and the Board of Visitors ratifies, Subscription Based Information Technology Arrangements (SBITAs) below the capital project threshold according to the process the Board of Visitors approved at the November 2023 meeting. The university-approved SBITA portfolio had an ending balance of $19 million at June 30, 2024.

* **Requires full Board approval**
\# **Discusses Enterprise Risk Management topic(s)**
\+ **Discusses Strategic Investment Priorities topic(s)**

* f. **Approval of Debt Refinancing Resolution:** The Committee reviewed for approval a debt refinancing resolution that allows the Authorized Officers of the university to seek refinancing of the Series 2015 bonds.

The Committee approved the items on the Consent Agenda and recommended the Resolution on Ratification of Lease Activities Approved by the University, Resolution on Ratification of Subscription Based Information Technology Arrangements Under GASB-96, and the Debt Refinancing Resolution to the full Board for approval.

* 4. **Approval of Year-to-Date Financial Performance Report (July 1, 2023 – September 30, 2024):** The Committee reviewed for approval the Year-to-Date Financial Performance Report for July 1, 2024 to September 30, 2024. For the first quarter, budget adjustments were made to reflect revisions to projected revenues and expenditures. The report shows the actual revenues and expenses compared to the budgets of ongoing capital projects.

The Committee recommended the Year-to-Date Financial Performance Report to the full Board for approval.

\# 5. **Annual Report on Research Finances and Resources:** Dan Sui, Senior Vice President for Research and Innovation, provided a comprehensive annual report on research finances and resources highlighting university research development and expenditures, award and proposal trends, and an overview of the Enterprise Risk landscape and mitigation strategies.

\# 6. **Update on Advancement:** Charlie Phlegar, Senior Vice President for Advancement, presented an update on Advancement, including an overview of new gifts and commitments, average gift size, alumni participation, and donor giving distributions.

\#+ 7. **Annual Report on University Debt Ratio and Debt Capacity:** The Committee received for acceptance a report on the university's debt ratio and debt capacity. At the conclusion of fiscal year 2024, outstanding long-term debt of the university totaled $748 million with a debt ratio of 4.82 percent of operating expenditures. The university proposes the continuation of the six percent cap on the debt ratio for the upcoming year.

* **Requires full Board approval**
\# **Discusses Enterprise Risk Management topic(s)**
\+ **Discusses Strategic Investment Priorities topic(s)**

+ 8. **Annual Report on Treasury Investments and Quasi-Endowments:** The Committee received a report on treasury investments and quasi-endowments, investment performance and related benchmarks, estimated payouts for fiscal year 2025, and planned use of such funds. The university has two investment pools: a short to intermediate-term pool managed within the university and a long-term pool managed by the Virginia Tech Foundation, Inc. The report shows the purposeful growth of funds invested in the endowment pool managed by the Foundation, which consists of true endowments, quasi-endowments and nongeneral fund reserves and balances, and local funds owned by the university.

*#+ 9. **Approval of Revisions to the 2024-2030 Six-Year Plan:** The Committee reviewed for approval the revisions to the 2024-2030 Six-Year Plan. The Higher Education Opportunity Act of 2011 established goals and objectives for higher education in Virginia, and outlined an annual planning process. This process requires submission of six-year academic, financial, and enrollment plans for the future three biennia. The focus of the plan, submitted each odd-year, is the first biennium of the planning period, and even-year submissions may revise these plans as necessary.

The university developed the revised Six-Year Plan for submission to the state on October 1, 2024. This report provides an overview of the Six-Year Plan process, key assumptions, and revisions to the original plan submitted last year.

The Committee recommended the Revisions to the 2024-2030 Six-Year Plan to the full Board for approval.

#+ 10. **Annual Report on Student Financial Aid Resources:** The Committee received a comprehensive report on the university's scholarship and financial aid program. In its Management Agreement with the commonwealth, the university affirmed its commitment to increase the support for student financial aid. The university continues to work proactively to ensure access and affordability as part of the Virginia Tech Advantage initiative. The amount of total student financial aid awarded increased from $638.6 million to $709.6 million in fiscal year 2024.

11. **Discussion of Future Agenda Topics and Closing Remarks:** The Committee did not discuss future agenda topics in the interest of time, and the Committee chair offered closing remarks.

There being no further business, the meeting adjourned at 10:03 a.m.

* **Requires full Board approval**
 # Discusses Enterprise Risk Management topic(s)
+ Discusses Strategic Investment Priorities topic(s)

Open Joint Session Agenda

FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND BUILDINGS AND GROUNDS COMMITTEE

8:15 a.m.
Latham Ballroom B, the Inn at Virginia Tech

November 19, 2024

		Agenda Item	Reporting Responsibility
*	1.	Approval of Resolution for a Capital Planning Project for a New Virginia Tech Rescue Squad Facility	Simon Allen Dwyn Taylor Rob Mann

* **Requires full Board approval**
 # Discusses Enterprise Risk Management topic(s)
+ Discusses Strategic Investment Priorities topic(s)

Open Session Agenda

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

To begin immediately following the Closed Session
Latham Ballroom B, the Inn at Virginia Tech

November 19, 2024

	Agenda Item	Reporting Responsibility
	1. Motion to Reconvene in Open Session	Jim Miller
	2. Welcome and Opening Remarks	Dave Calhoun
	3. Consent Agenda	Dave Calhoun
	a. Approval of Items Discussed in Closed Session	
	b. Approval of Minutes of the August 28, 2024 Meeting	
	c. Annual Report on Write-Off of Delinquent Accounts	
*	d. Approval of Resolution on Ratification of Lease Activities Approved by the University	
*	e. Approval of Resolution on Ratification of Subscription Based Information Technology Arrangements (SBITA) Under GASB-96	
*	f. Approval of Debt Refinancing Resolution	
*	4. Approval of Year-to-Date Financial Performance Report (July 1, 2024 – September 30, 2024)	Tim Hodge Rob Mann
#	5. Annual Report on Research Finances and Resources	Dan Sui
#	6. Update on Advancement	Charlie Phlegar
#+	7. Annual Report on University Debt Ratio and Debt Capacity	Simon Allen
+	8. Annual Report on Treasury Investments and Quasi-Endowments	Simon Allen
*#+	9. Approval of Revisions to the 2024-2030 Six-Year Plan	Tim Hodge
#+	10. Annual Report on Student Financial Aid Resources	Simon Allen
	11. Discussion of Future Agenda Topics and Closing Remarks	Dave Calhoun

*** Requires full Board approval**
 # Discusses Enterprise Risk Management topic(s)
+ Discusses Strategic Investment Priorities topic(s)

State Legislative and Budget Update

Elizabeth Hooper, Associate Vice President of Government & Community Relations

Tim Hodge, Associate Vice President for Budget and Financial Planning

March 24, 2025

General Assembly Update

Elizabeth Hooper, Associate Vice President of Government & Community Relations

2024-26 State Budget Timeline

December 18

2025 Regular Session
Governor released Executive Budget

January 8

General Assembly Convenes
Executive Budget introduced to both chambers as a bill
Amendments to Executive Budget proposed

February 4

Crossover
Budget bills "crossed over" between chambers

February 20

Conference Committee
Resolved differences between chambers and produced a compromise budget

March

Governor Reviews Budget Bill
May sign into law or veto entire bill or items – back to General Assembly for action

April 2

Reconvened Session
Budget Bill is either enacted or amended by the General Assembly depending on the Governor's actions

2025 Session

Environment for 2025 Session

- Virginia House of Delegates led by Speaker Don Scott (D-Portsmouth); Under democratic control 51-49.
- Senate of Virginia led by Majority Leader Scott Surovell (D-Fairfax); Under democratic control 21-19.
- Water system failure in the City of Richmond caused unprecedented delays at the beginning of the Session.
- Ongoing concern over the potential economic impacts of actions at the federal level led to Speaker Scott appointing a bipartisan committee of 12 House members to serve on the Emergency Committee on the Impacts of Federal Workforce and Funding Reductions
- All 100 seats of the House are up for re-election in November 2025.

Legislation That Passed:

HB1621	Requires each board of visitors of each baccalaureate public institution of higher education to appoint a nonvoting, advisory staff representative.
HB1694/SB961	Directs SCHEV and DVS to report the number of current, and not yet admitted, qualified survivors and dependents as it realtes to the Virginia Military Survivors and Dependents Education Program.
HB1805	Study; Improve and standardize quality and consistency of individual education programs for the purposes of postsecondary transition planning.
HB2420	Requires Mental Health First Aid training for all athletic coaches at institutions of higher education.
HB2452	SCHEV to establish a work group to determine the feasibility of providing the public with real-time access to the meetings of governing boards of public institutions of higher education and the meetings of committees of such boards.
SB1257	Requires resident assistants to be trained in the administration of an opioid antagonist for faculty, staff, or students who are believed to be experiencing or about to experience a life-threatening opioid overdose.

Legislation That Failed:

HB1917	Requires institutions to designate at least one confidential resource advisor to serve as a confidential resource for students and employees to discuss alleged acts of sexual misconduct and receive information on resources available to such students or employees.
HB2046/SB1214	Creates requirements for the development, deployment, and use of high-risk artificial intelligence systems, by public bodies including institutions of higher education.
HB2186/SB1247	Prohibits institutions from accepting any grant from or participating in any partnership or agreement with any foreign country of concern, unless approved by the governing board.
HB2207/SB1284	Prohibits institutions from providing material aid to terrorist activities or terrorist organizations.
HB2421	Requires instrastate athletics competition among institutions in Virginia once every eight years.
HB2722	Requires institutions to achieve 78.5% in-state enrollment by the 2026-2027 academic year.
SB1029	Limits the FOIA fees charged for producing public records to the median hourly rate of pay of employees of the public body or the actual hourly rate of pay of the person performing the work, whichever is less.

Next Steps

- 2025 General Assembly adjourned February 22.
  - Approved a conference budget with investments into higher education, primarily in FY25.
  - Considered 3,107 bills and resolutions.
- Governor will review the Budget Bill and may veto, amend, or sign into law. Any vetoes or amendments will be sent back to the General Assembly for action.
- The General Assembly will consider the Governor’s actions on the legislation during the April 2 reconvened session.

Discussion

State Budget Update

Tim Hodge, Associate Vice President for Budget and Financial Planning

2024-26 State Budget General Fund Update

- Virginia Military Survivors Dependent Education Program - converts prior ~$5.3M one-time support into ongoing support.
- Biotech Initiative (PCR) - Retains support in first year; Budget language provides direction for continuation of support next biennium.

Operating Budget Initiative	VT 6-Year Plan	Conference Budget	
		FY25**	FY26**
University Division			
▪ Virginia Military Survivors and Dependent Tuition Waiver Support	✓	$ 1.2M	$ 2.4M*
▪ Access & Affordability	✓	6.4M	-
▪ Increase Need-Based Undergraduate Financial Aid	✓	1.3M	-
▪ Expand Medical Education at VTCSOM	✓	6.5M	-
▪ Unique Military Activities Support	✓	0.3M	-
▪ O&M of New Facilities	✓	-	-
Cooperative Extension and Agricultural Experiment Station Division			
▪ Agricultural Innovation and Community Resource Development	✓	-	-
▪ Advanced Equipment	✓	0.8M	-
▪ Maintain Level of Service	✓	-	-

****FY25 & FY26 funding is one-time.**

* Estimated VT Share; FY26 amount is contingent on FY25 state surplus

2024-26 Biennial Budget: Employee Compensation & Benefits

	Executive	Conference
Compensation	Maintains previously authorized 3.0% increase, effective June 10, 2025.	Maintains previously authorized **3.0% increase**, effective June 10, 2025.
Bonus	N/A	**1.5% bonus** in FY25 on June 16, 2025, paycheck.
Minimum Wage	to $12.41/hr January 1, 2025.	to $13.50/hr January 1, 2026.
Health Insurance	6.0% increase for 2025-26 in the employer share.	**6.0% increase** for 2025-26 in the employer share.

2024-26 State Budget: Capital Request Update

Project	Virginia Tech Request	Conference Budget 2024-26
University Division		
▪ Maintenance Reserve		**$ 43.4M**
▪ Replace Randolph (Mitchell) Hall Supplement	✓	**55.3M**
▪ Expand VTCSOM & FBRI	✓	**138.0M**
▪ Repair Derring Hall Building Envelope	✓	**-**
Cooperative Extension & Agricultural Experiment Station Division		
▪ Planning for Southern Piedmont AREC Improvements	✓	**-**
▪ Eastern Shore Agricultural Research and Extension Center (AREC) Improvements	✓	**-**

Discussion

Proposed Tuition and Fee Rates for 2025-26

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

March 6, 2025

Development of 2025-26 Tuition and Fee Rates

The university has traditionally developed tuition and fee proposals in February and March of each year, with final rates submitted to the Board of Visitors at its regularly scheduled spring meeting in late March or early April. This process typically allows the university to incorporate the impact of legislative actions taken during the regular General Assembly session into the tuition and fee proposals. Finalizing these rates at the spring Board of Visitors meeting helps students plan for the financial costs of the upcoming academic year and allows the Office of University Scholarships and Financial Aid to deliver timely and effective financial aid award information to current and prospective students.

The 2025 General Assembly session adjourned on February 22, 2025, sending a proposed budget to Governor Youngkin for final approval. While the state budget is not yet final, the university can now consider the final amount of General Fund support that the university projects receiving in 2025-26 as well as the nongeneral fund cost assignments that must be met with self-generated resources. With that understanding, the following tuition and fee recommendation is proposed to address the university's 2025-26 resource needs.

Attached Schedules 1–7 provide a summary of all tuition and fee rates proposed for the 2025-26 academic year.

Impact of Student Financial Aid Programs

The university continues to make strategic investments into student financial aid programs that support low-to-middle-income students and support enrollment management strategies, including the Virginia Tech Advantage initiative announced by the President in fall of 2022. Reflecting on our land grant mission and motto of Ut Prosim (That I May Serve), the university has committed to offering a broad educational experience to undergraduate students from Virginia who have financial need. The goal of the program is to improve access and affordability for in-state undergraduate students with financial need and enhance student success. Virginia Tech Advantage will transform the university's ability to meet student needs, remove barriers, and envision a future full of opportunity for every Hokie graduate.

In addition to the investment in the keystone initiative, the Virginia Tech Advantage, the university maintains a robust student financial aid program to ensure access and affordability of the institution's programs. The proposed increases to tuition and fees represent the gross charges assessed to students and may be offset by one of the university's various financial assistance programs. This includes the Funds for the Future program, which shelters returning undergraduate students from tuition and fee increases. This aid program is being expanded in FY26 to ensure families with incomes up to $115,000 are being sheltered from tuition and fee increases. Additional new investments in Student Financial Aid will continue to enhance the university's overall student financial aid program.

Tuition

The university's Six-Year Financial Plan sets short-term targets for tuition and fees. Although these plans are developed in accordance with state guidelines based on certain assumptions about state support from the General Fund, the university develops tuition and fee recommendations for the coming year based on actual and projected revenues and costs. The university has worked to balance these criteria in developing the proposed annual base tuition rates, detailed on Schedule 1.

Veterinary Medicine

When the Virginia-Maryland Regional College of Veterinary Medicine was formed, the two states agreed to provide equal contributions (per Virginia and Maryland student) to the instructional operating budget. It was also agreed that both Virginia and Maryland students would pay the same resident tuition rate. The tuition agreement has been sustained since the first class was admitted.

Each year the tuition proposal is reviewed with the Virginia-Maryland Regional College of Veterinary Medicine Budget and Program Review Board (established to review the college's budget and comprised of representatives from Virginia Tech and the University of Maryland). Veterinary medicine program tuition rates are detailed on Schedule 1.

Virginia Tech Carilion School of Medicine

Integrated as the ninth college of Virginia Tech on July 1, 2018, the Virginia Tech Carilion School of Medicine is funded through a combination of medical student tuition and partnership support. Medical program tuition rates are detailed on Schedule 1.

Graduate Candidacy Status

To recognize the largely independent nature of doctoral students who have completed two years of course work, passed their preliminary exam, and are engaged in research and dissertation efforts, the university has a lower tuition rate for research and dissertation hours for students in this status. Candidacy Status is conferred by the Graduate School after a student has completed two years of course work and passed their preliminary exam. A reduced tuition rate for Candidacy Status is intended to incentivize time-to-degree for Ph.D. students, minimize the cost to research programs, and better position the university within the competitive market. As an incentive to graduate, the rate is available for a maximum of two years for full-time students and the rate will be automatically applied in the next semester after the Graduate School affirms a student's candidacy status. This rate does not apply to executive graduate programs. These rates are discounted 15% from standard graduate tuition. The university recommends continuing this policy. Graduate Candidacy Status tuition rates are detailed on Schedule 1.

Special Tuition Rates

Semester and Part-Time Tuition Rates

Semester rates equal one-half of annual rates. Part-time rates are derived from the respective full-time rate and are directly related to the number of credit hours taken. For tuition calculation purposes, the full-time undergraduate semester rate is divided by twelve credit hours and the full-time graduate semester rate is divided by nine credit hours. Part-time rates are detailed on Schedule 2.

Summer and Winter Session Rate

The Higher Education Opportunity Act of 2011 outlined objectives that seek to expand access to and promote degree completion across the commonwealth's higher education system. During non-traditional academic time periods, increasing year-round utilization of facilities and advancing opportunities for degree completion is an important strategy for supporting these objectives. To position the university for continued innovation in non-traditional session enrollment growth, in 2012-13 the university shifted the assessment of summer and winter session undergraduate tuition to a per-credit hour basis at a 10 percent discount of the regular session hourly rates for on-campus students. The university proposes to continue this assessment methodology for the 2025-26 winter and summer sessions. This approach provides a financial incentive for students to complete their degree at an accelerated pace and offers improved flexibility for faculty to innovate academic offerings during these non-traditional sessions. Special session tuition rates are detailed on Schedule 2.

Program Specific Online Graduate Tuition Rates

For select online graduate programs with significant demand beyond the commonwealth's borders and the capacity for growth, the university has developed a tiered set of tuition rates that apply to all students in each program. These rates ensure coverage of the direct and indirect cost of instruction and satisfy state policy requiring that nonresident students be assessed at least the average cost of education. This rate structure is organized into four tiers; market assessment and review of program costs determine each program's rate tier. Students are also assessed the traditional mandatory E&G fees (Library). As completely online programs, students are not assessed the Commonwealth Facility and Equipment Fee. These rates are detailed on Schedule 2.

Professional and Executive Graduate Pricing

To support the strategic goal of increasing the number of students enrolled in professional and executive graduate degree programs, specifically at sites outside of the Blacksburg campus, the university proposes continuing the market-based pricing strategies in select programs. Programs eligible for these pricing strategies will display market demand that extends beyond the commonwealth and generate net revenue above the direct and indirect cost of instruction (therefore, above the average cost of education). Tuition is assessed on a per-credit basis, and, in some cases, a program-specific supplemental fee may also be approved. Professional and Executive Graduate tuition rates are detailed on Schedule 2.

Special Tuition Rate for Elementary and Secondary School Personnel

Reflecting the university's commitment to improving the quality of elementary and secondary education through the continued education of elementary and secondary school teachers, in 1984 a special tuition rate was created for elementary and secondary school teachers to attend graduate classes at Virginia Tech at a reduced tuition for purposes of recertification.

In 1989, the Board of Visitors approved two expansions of this program: First, all elementary and secondary school personnel became eligible for the reduced tuition rate. Second, all graduate hours qualify for the plan, not just recertification hours.

In 1999, the Board of Visitors approved an expansion of the special tuition rate to include undergraduate-level courses for vocational teachers who do not have a bachelor's degree.

In 2015-16, the Board of Visitors established a 25 percent discount, resulting in a special tuition rate for elementary and secondary school personnel of 75 percent of the corresponding campus tuition rates (excludes professional and executive programs). The university recommends continuing this policy. Tuition rates for elementary and secondary school personnel are detailed on Schedule 2.

Special Tuition Rate for Study-Abroad Programs

Providing study-abroad opportunities is an important strategy in strengthening Virginia Tech's international programs. The Board of Visitors previously approved a special tuition rate for students who participate in the various study-abroad programs operated by the university. The special tuition rate reflects instructional services that all students receive but excludes the cost of on-campus services.

In 2008-09 the study-abroad rate was set at 80 percent of the on-campus tuition rates. Consistent with prior years, the special tuition rate for study abroad would not apply for students studying at the Steger Center for International Scholarship. The university recommends continuing this policy. Tuition rates for study abroad programs are detailed on Schedule 2.

Average Cost of Education

The Commonwealth of Virginia has a longstanding policy for considering the per student educational cost for colleges and universities. This process identifies the average educational cost for all undergraduate and graduate students. The Average Cost of Education does not include professional programs such as veterinary medicine or the VTC School of Medicine.

Until 2004, the Average Cost of Instruction was utilized as the measure of per student instructional cost. The Average Cost of Instruction identified the instructional cost components within the Educational and General appropriation. In 2004, a new state policy replaced the Average Cost of *Instruction* with the Average Cost of *Education*. The Average Cost of Education is the instructional funding need generated by the base budget adequacy model.

The Average Cost of Education serves as the basis for ensuring that nonresident undergraduate and graduate students cover at least 100 percent of the average cost of their education as the General Assembly instructed colleges and universities in the 1991 legislative session. Nonresident tuition and mandatory E&G fee rates for the upcoming academic year are examined against the estimated Average Cost of Education in the prior year to ensure they cover 100 percent of the Average Cost of Education.

The following table presents Virginia Tech's estimate of the Average Cost of Education and coverage percentages by student category for 2025-26.

	2025-26 Estimate	
	Amount	% of Average
Average Cost of Education	*$ 23,248*	
Undergraduates*		
Residents	13,656	59%
Nonresidents	35,503	153%
Graduates*		
Residents	16,348	70%
Nonresidents	32,738	141%
Residency		
Residents		60%
Nonresidents		149%

Excess Credit Hour Surcharge

The 2006 General Assembly (§ 23.1-509 Code of Virginia) required the establishment of a surcharge to be assessed to all resident undergraduate students beginning in the semester after 125 percent of credit hours required for baccalaureate degrees have been completed.

The surcharge amount is the difference between the Average Cost of Education and the resident undergraduate tuition and mandatory E&G fees. In effect, the surcharge requires the resident student to pay the Average Cost of Education once they have exceeded 125 percent of degree requirements due to the limit of state subsidy. The resultant surcharge can be found on Schedule 2.

Educational and General Fees

Library Fee

In 2013, the university instituted an annual fee to support a robust scholarly environment to advance academic achievement. The Library Fee supports comprehensive library resources, online access to library resources for enrolled students, and enhancements to student library services. Part-time students pay half the full-time rate. The proposed rate can be found on Schedule 3.

Commonwealth Facility and Equipment Fee

The 2003 General Assembly required the establishment of a capital fee to be assessed to all nonresident students at institutions of higher education for 2003-04 to pay a portion of the debt service on bonds issued under the 21st Century Debt Program issued for construction of new facilities on campus. The 2004 General Assembly increased the nongeneral fund portion of lease payments for the 2004-06 allocation of equipment under the Higher Education Equipment Trust fund and stipulated the source of the nongeneral funds be an increase in fees for nonresident students at public institutions of higher education starting in 2005-06. Part-time students pay half the full-time rate. The proposed rate is detailed on Schedule 3.

Immigration Services Fee

To support administrative costs and maintain the quality of immigration services provided to degree-seeking undergraduate and graduate international students, the university implemented an Immigration Services Fee beginning with students enrolling in Fall 2018. This fee helps support costs uniquely associated with the administration of international student enrollment such as academic and financial verification, immigration regulation, Student and Exchange Visitor Program System (SEVIS) reporting requirements, financial processing fees, and compliance with federal regulations. International students on a domestic campus are assessed the fee. For international Graduate students on assistantship, the fee is remitted under Section 4-2.01b.6 of the Virginia Appropriation Act in recognition of their service to the University. The proposed rate can be found on Schedule 3.

Comprehensive Fee

The Student Activity Fee, Health Service Fee, Athletic Fee, Recreational Sports Fee, and Student Services Fee are collectively called the Comprehensive Fee. Individual descriptions are below for each component of the Comprehensive Fee. Part-time students pay one-half of each fee. The proposed comprehensive fee rates are detailed on Schedule 3.

Student Activity Fee

The Student Activity Fee covers student activities programming, supports the presence and practice of the arts across campus for all students, and supports student activities as determined by the Student Budget Board.

Health Service Fee

The Health Service Fee supports normal medical and nursing attention and counseling services provided by Schiffert Student Health Services, Cook Counseling Center, and Virginia Tech Rescue Squad operations.

Athletic Fee

A portion of the university's athletic program operations is supported by the Athletic Fee. The student fee revenue covers the costs of athletic administration and sponsoring intercollegiate varsity sports that do not generate revenue. This fee entitles students to free admissions into sporting events, while recognizing that student seating is limited thus not guaranteed.

Recreational Sports Fee

The Recreational Sports Fee supports recreational programs and intramural and extramural sports club programs.

Student Services Fee

The Student Services Fee supports the issuance of Hokie Passport student IDs, the Division of Student Affairs, transportation services, and the campus wireless network. Students enrolled at Virginia Tech have unlimited access to bus transportation provided by the Blacksburg Transit System through a contract the university negotiates with the Town of Blacksburg each year. In addition to the convenience for students, the bus system and alternative transportation programs save the university considerable resources by lowering requirements for on-campus parking.

Comprehensive Fee Reduction for Students Studying at a Distance

In recognition of students living and studying away from the Blacksburg campus, and supporting the university's goal of affordability, the university continues to recommend a 50% reduction in the comprehensive fee as detailed in Schedule 3 for full-time students enrolled in an all-virtual schedule or engaged exclusively in research hours or independent study not located on campus. Students must certify that they will reside more than 50 miles from the Blacksburg campus for the entire semester. Part-time and special session enrollment may be eligible for a derivative reduction using the same eligibility requirements. Students maintained access to services provided virtually.

<u>Campus Fees</u>

Specialized campus fees are designed to cover costs that are unique to a specific campus. These fees are charges established for a specific campus which are beyond regular tuition and fees and are equal for students, both resident and nonresident. The Comprehensive Fee, which supports a number of services on the Blacksburg campus, is not charged to students in other locations. The proposed annual fees by location are detailed in schedule 3.

Northern Virginia Region Student Services Fees

Students attending courses in the Northern Virginia Region benefit from services including the infrastructure and use of the wireless network and the issuance and use of student identification cards.

Northern Virginia Region Transportation Services Fee

Through a collaboration with the Washington Metropolitan Area Transit Authority (WMATA), the Northern Virginia Region Transportation Services Fee supports eligible full-time students in the region with unlimited access to the Metrorail and Metrobus throughout the fall and/or spring semesters. Executive and part-time students are excluded from the program.

Roanoke Virginia Tech Carilion School of Medicine Comprehensive Fee

Students attending courses at the VTCSOM in Roanoke benefit from several of the traditional Comprehensive Fee services and are assessed a Student Services Fee, Health Services Fee, Student Government/Activity Fee, and Recreational Sports Fee.

Steger Center for International Scholarship Fee Rates

The Steger Center for International Scholarship (the Center) in Riva San Vitale, Switzerland, opened in the Fall of 1993. The Center serves as a resident educational facility for Virginia Tech students from many academic programs. Providing the opportunity for students to study abroad is an important strategy in strengthening the international programs of Virginia Tech, an objective of both the university and the commonwealth.

For purposes of financing the operations of the Center, two separate programs are maintained. First, all instructional costs are accounted for in the E&G program of the University Division. Second, the housing, dining, and student activity auxiliary enterprise programs are recorded within the university's Residential and Dining Hall System. The university's Swiss subsidiary corporation manages the day-to-day activities of the Center.

Students attending the Steger Center for International Scholarship are assessed the same tuition as on-campus students.

For housing and dining services at the Center, the proposed fees reflect the cost of living at the Center. Students are not required to pay the Blacksburg campus Comprehensive Fee while studying abroad. A student activity fee supports students with community-building social and recreational events and activities. The proposed annual student activity fee and room and board rate are detailed on Schedule 3.

Washington-Alexandria Architecture Center Fee

To support the cost of operations and ensure the quality of the Washington-Alexandria Architecture Center (WAAC), the college recommended that a supplemental fee be assessed to Virginia Tech and WAAC Consortium students in residence at the center on a per-semester basis. This E&G fee helps manage the cost of instructional facilities and equipment and support students in their academic efforts in the robust curricular environment of the WAAC. The proposed annual WAAC Center fee is detailed on Schedule 3.

<u>Room and Board Charges</u>

The university's Residential and Dining Programs serve students by providing on-campus housing and dining services. Generally, all entering freshmen must live on campus, and housing is available on a limited basis for returning students who choose to live on campus. The university establishes optional room and board rates based on a derivation of the Board-approved fee to appropriately reflect costs for Summer Session and summer conferences. All students living on campus must select a meal plan, except students who elect to reside in the Oak Lane – Phase IV housing development; off–campus students may participate in one of the meal plan programs.

Room Charges

The proposed annual room charges by location and room type are detailed on Schedule 3.

Living Learning Community Charge

The Living Learning Community charge is for students participating in Living Learning Communities on campus. These living and learning opportunities are available in select residence halls to those students who elect to participate. The proposed annual charge is detailed in Schedule 3.

Residential Telecommunications Charge

All students living on campus pay the Residential Telecommunications fee, which supports technology for students in campus residences, wired network connectivity, and wireless network coverage. The proposed annual charge is detailed in Schedule 3.

Board Charges

Students living on-campus currently have a choice of three types of flexible meal plans. The Flex Plan operates like a debit account with a designated amount for the purchase of food in the dining facilities. Students may deposit cash to their Flex accounts to increase their balance during the year. Consistent with the purchasing power of traditional meal plans, the intent of annual rate changes for the Flex Plans is to hold overall purchasing power constant from year to year. The proposed annual board charges are detailed on Schedule 3.

Supplemental Program Fees

Supplemental Program Fees are designed to cover costs unique to a specific discipline. To maintain the intent of the commonwealth's funding policies regarding the collection and allocation of tuition revenues, Program Fees are established for a specific program and are beyond regular tuition and fees and are equal for both resident and nonresident students. The proposed annual Supplemental Program fees are described below and detailed on Schedule 4.

Agriculture Fee

Students in the College of Agriculture are assessed a program fee to ensure that the college is able to continue to deliver innovative, high-quality instruction and maintain critical laboratory facilities and equipment that are unique to the program.

Architecture + Design Fee

Architecture, industrial design, interior design, and landscape architecture students in the School of Architecture + Design need access to appropriate studio equipment, academic programming, and technology. This fee supports costs that are unique to Architecture + Design students including the updating of equipment and materials for instructional studios, student projects, quality enhancements, and operational support of instructional studios.

Building Construction Fee

An annual program fee recognizes the differential cost of instruction for students in the university's Building Construction major. This fee is assessed to students admitted into the College of Architecture, Arts, and Design's Building Construction degree program before Fall 2023. This program transitioned to the College of Engineering in Fall 2023, and all Building Construction students admitted thereafter are subject instead to the Engineering fee.

Corps of Cadets Fee

Capital improvements have increased and enhanced the Corps of Cadets program space, supporting the recruitment and retention of high-quality students. To support these needed enhancements, the university established a Corps of Cadets fee beginning in Fall 2023, assessed to all members of the Corps of Cadets. Proceeds from the fee are used exclusively for Corps of Cadets program space improvements. The proposed annual rate is detailed on Schedule 4.

Engineering Fee

To ensure that engineering students continue to receive a state-of-the-art education in a quality learning environment, the university began recognizing the higher cost of instruction in the College of Engineering through a supplemental fee in Fall 2007. This fee supports costs that are unique to College of Engineering students including: the continuing need for modernization of instrumentation and materials for instructional laboratories and student projects, instructional space costs, effective maintenance of instrumentation and technology, quality enhancements, and operation of the instructional laboratories.

Master of Public Health Fee

The Master of Public Health fee provides resources for program-specific course development, faculty and leadership support, and instructional needs.

Master of Business Administration Fee

The Master of Business Administration (MBA) program fee aligns pricing of the Virginia Tech MBA program and provides funding for the college's academic program and enhanced career placement services for students. This fee applies to students in the EvMBA and OMBA programs yet is not assessed to Executive MBA students (who have a separate rate structure).

Master of Science in Business Administration (MSBA) Fee

To ensure the Pamplin College of Business MSBA programs in Business Analytics (BA) and Hospitality & Tourism Management (HTM) are positioned to continue to deliver high-quality instruction, provide experiential learning opportunities, and career services to students, the university recognizes the differential cost of the MSBA-BA and MSBA-HTM programs through the assessment of a supplemental E&G program fee.

Pamplin College of Business Fee

Delivering a high-quality business education requires the resources to address costs unique to the Pamplin College of Business. To ensure continued excellence in the Pamplin College of Business, a per-credit hour fee was established in 2013-14 to provide dedicated resources to be utilized exclusively for the Pamplin College of Business. Beginning in Fall 2023, students entering the college are assessed an annual program fee instead of the per-credit fee.

Veterinary Medicine Facility Fee

All Veterinary Medicine students are assessed a facility fee. Proceeds from the facility fee are used exclusively for College of Veterinary Medicine instructional space improvements. The proposed annual rate is detailed on schedule 4.

Course Specific Charges

The university may establish course specific charges for study abroad costs, field trips, course materials, laboratory costs, or other extraordinary costs tied to individual courses. The university avoids establishing course charges for materials and laboratory charges in programs with specialized program fees.

Professional & Executive Graduate Degree Program Fees

While similar to specialized graduate program fees, the industry standard for this type of professional education program is to be quoted in terms of a total cost for the entire program period. Programs generally span from 12 to 24 months. A new multi-year total cost is developed for each incoming cohort. The annual program fees are established as the difference between applicable tuition and fees and the total cost during the cohort period. The program fee for a cohort's second year is established when tuition and fee rates are set for that year; this can be impacted by several factors including cost assignments by the General Assembly but are designed to honor the previously quoted total cost of the entire program period. Each program and its total cost proposal are summarized on Schedule 4.

Executive Master of Natural Resources (XMNR) Pricing

In 2010-11, the College of Natural Resources expanded the existing Master of Natural Resources program delivered in the National Capital Region by adding an executive format cohort. The program is an accelerated graduate degree for working professionals with significant management experience. The program utilizes the Professional Graduate tuition rate, Library Fee, Facility & Equipment Fee, and a program fee to achieve the total program cost. Tuition is assessed on all credits taken.

Ph.D. in Executive Business Research (BXBR) Pricing

The Pamplin College of Business launched a new Ph.D. in Business with a concentration in Executive Business Research that started in Fall 2016. The three-year program is administered through the College's Falls Church facility in the National Capital Region and provides business professionals with rigorous training in analytical and research techniques, exposure to the scholarly literature in business, and dissertation research experience that is translational in nature. The degree follows a three-year plan of study and is assessed Executive Graduate tuition, Library Fee, Facility & Equipment Fee, and a BXBR program fee on a per credit hour basis. BXBR students continuing beyond the scheduled three years will be assessed Executive Graduate Tuition and fees and the BXBR program fee on a per credit hour basis.

Graduate Tuition Pricing Basis

As the university continues to develop and offer targeted educational opportunities to meet student and market demand, the university may elect to utilize per-credit hour tuition pricing in lieu of the traditional full/part-time pricing approach in situations where such pricing better aligns with the program delivery model. A leading example is accelerated master degrees where credit hours delivered significantly exceeds the level planned through traditional full-time programs.

Summary of Tuition and Fee Rates

A summary of the recommended tuition rates is shown on Schedules 1 and 2, and a summary of fees is attached on Schedules 3 and 4. Finally, the total mandatory costs for students to attend Virginia Tech are detailed on Schedule 5 for undergraduate students, Schedule 6 for graduate students, and Schedule 7 for medical and veterinary students.

RECOMMENDATION:

The board approves tuition, fee, room, and board rates as recommended effective Fall semester 2025.

March 25, 2025

Schedule 1

VIRGINIA TECH
2025-26 TUITION RECOMMENDATIONS
SUMMARY OF ANNUAL CHARGES

RECOMMENDATION

	2024-25 Charge	Proposed 2025-26	Rate Increase $	Rate Increase %
Undergraduate Students				
Resident	$13,153	$13,540	$387	2.9%
Nonresident	34,376	35,387	1,011	2.9%
Graduate Students				
On-Campus Programs				
Resident	15,768	16,232	464	2.9%
Nonresident	31,690	32,622	932	2.9%
Off-Campus Programs				
Resident	17,446	17,959	513	2.9%
Nonresident	33,918	34,915	997	2.9%
Graduate Candidacy Status (a)				
Resident On-Campus	13,403	13,797	394	2.9%
Nonresident On-Campus	26,937	27,729	792	2.9%
Resident Off-Campus	14,829	15,265	436	2.9%
Nonresident Off-Campus	28,830	29,678	848	2.9%
Veterinary Medicine				
Virginia/Maryland	24,877	25,598	721	2.9%
Nonresident	56,881	58,531	1,650	2.9%
VTC School of Medicine	60,406	62,158	1,752	2.9%

(a) Reduced tuition rate for doctoral students taking research and disertation hours after completing two years of course work and passing their preliminary exam.

VIRGINIA TECH
2025-26 SPECIAL TUITION RATES
SUMMARY OF HOURLY RATES

	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Regular Part-Time Students (a)				
Undergraduate Students				
Resident	$548.00	$564.25	$ 16.25	3.0%
Nonresident	1,432.25	1,474.50	42.25	2.9%
Graduate Students				
On-Campus Programs				
Resident	876.00	901.75	25.75	2.9%
Nonresident	1,760.50	1,812.25	51.75	2.9%
Off-Campus Programs				
Resident	969.25	997.75	28.50	2.9%
Nonresident	1,884.25	1,939.75	55.50	2.9%
Summer & Winter Sessions				
On-Campus Programs				
Undergraduate Resident	493.25	507.75	14.50	2.9%
Undergraduate Nonresident	1,289.00	1,327.00	38.00	2.9%
Program Specific Online Graduate				
Tier 1 Online Master of Business Administration (OMBA)	1,150.00	1,183.00	33.00	2.9%
Tier 2 Master of Information Technology (MIT) Master of Agricultural and Applied Economics (MSAAEC) Degree/Certificate	1,075.00	1,106.00	31.00	2.9%
Tier 3 Master of Agriculture and Life Sciences (OMALS) Construction Engineering for Infrastructure Projects Certificate (CEIC)	975.00	1,003.00	28.00	2.9%
Tier 4 Master of Natural Resources (MNR) Graduate Certificate in Local Government Mgt (LGMC)	930.00	970.00	40.00	4.3%
Professional and Executive Graduate				
Professional Graduate Tuition Rate (EvMBA, MSBA-HTM, XMNR)	1,100.00	1,132.00	32.00	2.9%
Executive Graduate Tuition Rate (BXBR)	1,879.50	1,934.75	55.25	2.9%
School Personnel				
Undergraduate Resident	411.00	423.25	12.25	3.0%
Graduate Resident				
Blacksburg Campus	657.00	676.25	19.25	2.9%
Extended Campus	727.00	748.25	21.25	2.9%
Study Abroad Programs (b)				
Undergraduate Resident	438.50	451.50	13.00	3.0%
Undergraduate Nonresident	1,145.75	1,179.50	33.75	2.9%
Graduate Resident	700.75	721.50	20.75	3.0%
Graduate Nonresident	1,408.50	1,449.75	41.25	2.9%
Excess Credit Hour Surcharge	$299.50	$319.75	20.25	6.8%

(a) Part-time tuition charges for all student categories are derived from the full-time rate and are directly related to the number of credit hours taken. For tuition calculation purposes, the full-time undergraduate semester rate is divided by 12 credit hours and the full-time graduate student semester rate is divided by 9 hours.

(b) Tuition rates for study abroad do not include students studying at the Steger Center for International Scholarship.

VIRGINIA TECH
2025-26 FEES AND USER CHARGES
SUMMARY OF ANNUAL CHARGES

	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Educational and General Fee				
Library Fee	$ 113	$ 116	$ 3	2.7%
Commonwealth Facility & Equipment Fee (Nonresident Students)	604	604	-	0.0%
Immigration Services Fee (International Students)	550	550	-	0.0%
Comprehensive Fee				
Student Activity Fee	559	520	(39)	-7.0%
Health Service Fee	646	670	24	3.7%
Athletic Fee	437	732	295	67.5%
Recreational Sports Fee	400	413	13	3.3%
Student Services Fee	642	535	(107)	-16.7%
Total Comprehensive Fee	2,684	2,870	186	6.9%
Comprehensive Fee Reduction: Online & Absentia students (Per Semester)	(671)	(718)		
Campus Fees				
Northern Virginia Region Student Services	197	217	20	10.2%
Northern Virginia Region Transportation Services	329	329	-	0.0%
VTCSOM Student Services Fee	197	217	20	10.2%
VTCSOM Health Services Fee	608	632	24	3.9%
VTCSOM Student Govt/Activity Fee	185	185	-	0.0%
VTCSOM Recreational Sports Fee	400	413	13	3.3%
Steger Center Student Activity Fee (Per Semester)	150	150	-	0.0%
Steger Center Room & Board (Per Semester)	7,700	7,925	225	2.9%
Washington-Alexandria Architecture Center Fee (Per Semester)	300	300	-	0.0%
Room Charges				
Category A (Non-Air Conditioned Multiple)	6,371	6,638	267	4.2%
Category B (Air Conditioned Multiple)	8,877	9,250	373	4.2%
Category C (Air Conditioned Single)	12,133	12,644	511	4.2%
Living Learning Community Charge	100	100	-	0.0%
Residential Telecommunications Charge	394	394	-	0.0%
Board Charges				
Major Flex Plan	5,593	5,868	275	4.9%
Mega Flex Plan	5,999	6,294	295	4.9%
Premium Flex Plan	6,419	6,736	317	4.9%

VIRGINIA TECH
2025-26 SUPPLEMENTAL PROGRAM FEES
SUMMARY OF ANNUAL CHARGES

		2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Program Fees					
Agriculture & Life Sciences Supplemental Fee					
Undergraduate/Graduate	Full-time	$ 750.00	$ 750.00	-	0.0%
	Part-time	375.00	375.00	-	0.0%
Architecture + Design Supplemental Fee					
Undergraduate/Graduate	Full-time	1,500.00	1,500.00	-	0.0%
	Part-time	750.00	750.00	-	0.0%
Building Construction Supplemental Fee					
CAUS – Undergraduate/Graduate	Full-time	1,500.00	1,500.00	-	0.0%
(Admitted to AAD spring 2023 and prior)	Part-time	750.00	750.00	-	0.0%
Corps of Cadets Fee	Full-time	480.00	480.00	-	0.0%
Engineering Supplemental Fee					
Undergraduate/Graduate	Full-time	2,000.00	2,000.00	-	0.0%
(incl BC majors admitted to COE Fall 2023 and beyond)	Part-time	1,000.00	1,000.00	-	0.0%
Master of Public Health	Full-time	525.00	525.00	-	0.0%
	Part-time	262.50	262.50	-	0.0%
Master of Business Administration (EvMBA, OMBA)	Per Credit Hour	175.00	175.00	-	0.0%
Master of Science in Business Administration (MSBA)	Per Credit Hour	175.00	175.00	-	0.0%
Concentrations in Business Analytics (BA)					
and Hospitality & Tourism Management (HTM)					
Pamplin College of Business Supplemental Fee					
Undergraduate-Admitted Fall 2023 and Beyond	Full-time	2,550.00	2,550.00	-	0.0%
	Part-time	1,275.00	1,275.00	-	0.0%
Undergraduate 4000 Level Courses	Per Credit Hour		105.00		
Veterinary Medicine Facility Fee		1,200.00	1,200.00	-	0.0%

Professional/Executive Program Rates

Executive Master of Natural Resources (XMNR) (a)

Spring 2025 Starting Cohort	Total Program	Spring 2025	Summer 2025	Fall 2025
XMNR Total Cost	$41,500.00	$15,106.25	$8,827.00	$17,566.75
(less) Professional Graduate Tuition & Fees		(13,558.50)	(6,779.25)	(14,019.00)
XMNR Fee – 2025 Cohort		1,547.75	2,047.75	3,547.75

Spring 2026 Starting Cohort	Total Program	Spring 2026	Summer 2026	Fall 2026
XMNR Total Cost	$41,500.00	$15,166.50	$8,694.50	$17,639.00
(less) Professional Graduate Tuition & Fees		(13,944.00)	(6,972.00)	TBD
XMNR Fee – 2026 Cohort		1,222.50	1,722.50	TBD

		2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Executive Ph.D. in Business Research (BXBR) Fee	Per Credit Hour	126.25	126.25	-	0.0%

(a) Executive Model Graduate Degree Program fees are designed to allocate a total cost over multiple years of the program, and utilize a fee to balance the difference between the quoted price and traditional tuition and fees. Changes from year to year do not necessarily reflect a change in total program cost.

Schedule 5

VIRGINIA TECH
TOTAL COST TO STUDENTS
Comparison of 2024-25 and 2025-26 Annual Charges

UNDERGRADUATE STUDENTS

	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Resident				
Tuition	$ 13,153	$ 13,540	$ 387	2.9%
E&G Fees	113	116	3	2.7%
Subtotal Tuition and E & G Fee	13,266	13,656	390	2.9%
Comprehensive Fee	2,684	2,870	186	6.9%
Total All Residents	**15,950**	**16,526**	**576**	**3.6%**
Room (Catagory A Room & Telecommunications Fee) [(a)]	6,765	7,032	267	3.9%
Board (Major Flex Plan) [(a)]	5,593	5,868	275	4.9%
Subtotal Room and Board	12,358	12,900	542	4.4%
Total Cost for Residents Living on Campus	28,308	29,426	1,118	3.9%
Nonresident				
Tuition	34,376	35,387	1,011	2.9%
E&G Fees	717	720	3	0.4%
Subtotal Tuition and E & G Fee	35,093	36,107	1,014	2.9%
Comprehensive Fee	2,684	2,870	186	6.9%
Total All Nonresidents	**37,777**	**38,977**	**1,200**	**3.2%**
Room (Catagory A Room & Telecommunications Fee) [(a)]	6,765	7,032	267	3.9%
Board (Major Flex Plan) [(a)]	5,593	5,868	275	4.9%
Subtotal Room and Board	12,358	12,900	542	4.4%
Total Cost for Nonresidents Living on Campus	50,135	51,877	1,742	3.5%

(a) The majority of incoming students are housed in these residence halls and choose the Major Flex plan.

VIRGINIA TECH
TOTAL COST TO STUDENTS
Comparison of 2024-25 and 2025-26 Annual Charges

	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
<u>GRADUATE STUDENTS</u>				
On-Campus Programs				
<u>Resident</u>				
Tuition	$ 15,768	$ 16,232	$ 464	2.9%
E&G Fees	113	116	3	2.7%
Subtotal Tuition and E & G Fee	15,881	16,348	467	2.9%
Comprehensive Fee	2,684	2,870	186	6.9%
Total Cost for Residents	**18,565**	**19,218**	**653**	**3.5%**
<u>Nonresident</u>				
Tuition	31,690	32,622	932	2.9%
E&G Fees	717	720	3	0.4%
Subtotal Tuition and E & G Fee	32,407	33,342	935	2.9%
Comprehensive Fee	2,684	2,870	186	6.9%
Total Cost for Nonresidents	**35,091**	**36,212**	**1,121**	**3.2%**
Off-Campus Programs [(a)]				
<u>Resident</u>				
Tuition	17,446	17,959	513	2.9%
E&G Fees	113	116	3	2.7%
Total Tuition and E & G Fee	**17,559**	**18,075**	**516**	**2.9%**
<u>Nonresident</u>				
Tuition	33,918	34,915	997	2.9%
E&G Fees	717	720	3	0.4%
Total Tuition and E & G Fee	**34,635**	**35,635**	**1,000**	**2.9%**

(a) Student services and fees vary by campus location.

VIRGINIA TECH
TOTAL COST TO STUDENTS
Comparison of 2024-25 and 2025-26 Annual Charges

	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
VETERINARY MEDICINE				
Virginia/Maryland Students				
Tuition	$ 24,877	$ 25,598	$ 721	2.9%
E&G Fees	113	116	3	2.7%
Subtotal Tuition and E & G Fee	24,990	25,714	724	2.9%
Vet Med Facility Fee	1,200	1,200	-	0.0%
Comprehensive Fee	2,684	2,870	186	6.9%
Total Cost for Virginia/Maryland Students	**28,874**	**29,784**	**910**	**3.2%**
Nonresident Students				
Tuition	56,881	58,531	1,650	2.9%
E&G Fees	717	720	3	0.4%
Subtotal Tuition and E & G Fee	57,598	59,251	1,653	2.9%
Vet Med Facility Fee	1,200	1,200	-	0.0%
Comprehensive Fee	2,684	2,870	186	6.9%
Total Cost for Nonresident Students	**61,482**	**63,321**	**1,839**	**3.0%**
VIRGINIA TECH CARILION SCHOOL OF MEDICINE				
Tuition	60,406	62,158	1,752	2.9%
E&G Fees	113	116	3	2.7%
Subtotal Tuition and E & G Fee	60,519	62,274	1,755	2.9%
VTCSOM Comprehensive Fee	1,390	1,447	57	4.1%
Total Cost for VTCSOM Students	**61,909**	**63,721**	**1,812**	**2.9%**

FY26 Proposed
Tuition and Fee Rates

Simon Allen

Vice President for Finance and Chief Financial Officer

Tim Hodge

Associate Vice President of Budget and Financial Planning

March 24, 2025

Tuition recommendations informed by:

- Level of state support
- Known and expected costs
  - State mandated
  - Unavoidable (inflationary)
- Reinvestments
- Maintenance of academic quality
- Market position
- Sensitivity to cost
  - Student and family impact
- Strategic Investments

University Budget Process

- Determine mandatory and unavoidable cost increases
- State budget process determines availability of general fund resources
- Tuition and fee rates set based on need to cover mandatory cost increases and market position
- Use critical needs request process to identify:
  - Unit-level resources aligned with strategic priorities
  - Cross-cutting issues impacting multiple units
  - Capacity limitations and areas of risk
  - Opportunities to reallocate existing resources
- Availability of resources – including reinvestments – drives pace of strategic investments and internal realignments

Tuition and Fee Rate Recommendations

Undergraduate

Resident	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Tuition	$13,153	$13,540	$387	2.9%
E&G Fee	113	116	3	2.7%
Tuition & E&G Fees	**13,266**	**13,656**	**390**	**2.9%**
Comprehensive Fee	2,684	2,870	186	6.9%
Tuition & Mandatory Fees	15,950	16,526	576	3.6%
Nonresident				
Tuition	$34,376	$35,387	$1,011	2.9%
E&G Fees	717	720	3	0.4%
Tuition & E&G Fees	**35,093**	**36,107**	**1,014**	**2.9%**
Comprehensive Fee	2,684	2,870	186	6.9%
Tuition & Mandatory Fees	37,777	38,977	1,200	3.2%
Room and Board	12,358	12,900	542	4.4%

Graduate

Resident	**2024-25 Charge**	**Proposed 2025-26**	**Increase $**	**Increase %**
Tuition	$15,768	$16,232	$464	2.9%
E&G Fee	113	116	3	2.7%
Tuition & E&G Fees	**15,881**	**16,348**	**467**	**2.9%**
Comprehensive Fee	2,684	2,870	186	6.9%
Total Resident Graduate	$18,565	$19,218	653	3.5%

Nonresident				
Tuition	$31,690	$32,622	$932	2.9%
E&G Fees	717	720	3	0.4%
Tuition & E&G Fees	**32,407**	**33,342**	**935**	**2.9%**
Comprehensive Fee	2,684	2,870	186	6.9%
Total Nonresident Graduate	$35,091	$36,212	$1,121	3.2%

Virginia-Maryland College of Veterinary Medicine

	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Virginia/Maryland Students				
Tuition	**$24,877**	**$25,598**	**$721**	**2.9%**
Educational and General Fee	113	116	3	2.7%
Comprehensive Fee	2,684	2,870	186	6.9%
Vet Med Facility Fee	1,200	1,200	0	0.0%
Total Cost for Virginia/Maryland Students	$28,874	$29,784	$910	3.2%
Out-of-State Students				
Tuition	**$56,881**	**$58,531**	**$1,650**	**2.9%**
Educational and General Fee	717	720	3	0.4%
Comprehensive Fee	2,684	2,870	186	6.9%
Vet Med Facility Fee	1,200	1,200	0	0.0%
Total Cost for Out-of-State Students	61,482	63,321	$1,839	3.0%

Virginia Tech Carilion School of Medicine

	2024-25 Charge	Proposed 2025-26	Increase $	Increase %
Tuition	**$60,406**	**$62,158**	**$1,752**	**2.9%**
Educational and General Fee	113	116	3	2.7%
VTCSOM Student Services Fees (a)	1,390	1,447	57	4.1%
Total Cost	$61,909	$63,721	$1,812	2.9%

(a) Includes VTCSOM Student Services, Health Services, Student Government/Activities, and Recreational Sports (M1, M2, M3, M4) fees

Resolution for Approval of 2025-26 Tuition and Fee Rates

RECOMMENDATION

The board approves tuition, fee, room and board rates as recommended effective Fall semester 2025.

March 25, 2025

Honorable Members of the Board of Visitors,

Thank you for allowing me to speak today. My name is Ronnie Mondal, and I serve as the President of the Graduate and Professional Student Senate. I am here to voice the urgent concerns of Virginia Tech's graduate students regarding student fees and tuition.

Graduate students conduct research, teach courses, and support the university's mission of innovation and excellence. Yet, we continue to struggle financially. Our stipends remain below a living wage, and increasing tuition and fees will only worsen this crisis.

Our comprehensive fees have already increased. Most of our assistantships do not cover these fees—we must pay them out of pocket from our already stretched stipends. A further increase would amount to an effective **pay cut**, making graduate education more inaccessible.

This comes at a time of immense financial uncertainty. Inflation continues to rise, with costs for housing, healthcare, groceries, and childcare outpacing our stipends. Many of us have families and dependents to take care of. A fee increase will push many to take on additional jobs or even debt.

Coupled with shifts in research funding priorities, visa policies, and economic conditions, many students, especially international students, are unsure about their financial stability and future career prospects. A financial burden will make Virginia Tech a less attractive option for top talent and directly impact our reputation and ability to remain a leading research institution.

I urge you to consider alternative funding sources rather than placing the burden on graduate students who are already struggling to make ends meet. We ask that you **freeze student fees and tuition**, at least for this coming year, to prevent further hardship. Instead of increasing financial strain, let's work together to create long-term solutions that support students and strengthen Virginia Tech's research and educational mission.

Thank you for your time and consideration.

COMMENTS MADE AT THE MARCH 5, 2025, PUBLIC COMMENT SESSION

Good afternoon, everyone,

My name is Alexander Efird, and I am here representing the 31,035 undergraduate students here on campus as President of the Undergraduate Student Senate, our undergraduate student body government.

You have most likely heard, and will continue to hear from, many students on their own perspectives, but I wanted to provide you all some quick thoughts on what I've gathered from speaking with many of my fellow students.

First, I want to commend the Board for their efforts in past years to limit tuition and fee increases for students. While we've seen peer institutions in the Commonwealth and beyond heavily increase the financial burden that students face year-after-year, we've been fortunate here at Virginia Tech to see little to no increases in the cost of our educations.

In conversations I have with my fellow students, tuition and fees are always front-of-mind. As you would expect, the vast majority of students support keeping the current tuition and fees levels for the next academic year. One of the major concerns I hear from students every day is the financial burden they face because of tuition and fee costs. When students have to face these challenges, it can affect their social lives and their ability to join some of the over 800 clubs that we have here on campus. In some instances, students are so stressed that they cannot devote the attention needed to their schoolwork, leading to missed assignments and poor grades.

However, many of us understand that with the rising costs of living and operations expenses we all face, small increases may be inevitable. Yet, when the cost of education becomes less affordable, we all suffer. Students who are not privileged or who don't come from affluent backgrounds may be more inclined to reduce their involvement here on campus or may even take a step back from college entirely. That can deprive our Virginia Tech community from some incredible knowledge and perspectives that make us stronger as a whole.

That is why I also emphasize the financial aid programs that are at the disposal of students. These programs give students who lack the resources to achieve a full college education with the opportunity to do so. I've spoken with numerous students here on campus who have taken advantage of these programs, and they are all doing incredible things in their respective fields and will go on to represent the Virginia Tech name with pride and distinction. Continuing to expand these programs, including the Virginia Tech Advantage, will only enhance the quality of our community here at Virginia Tech and will provide students with the resources they need to be successful and accomplish great things.

Thank you all so much for your time.

	Commenter Classification								
Comment Theme	**Alumnus**	**Faculty/ Staff**	**Graduate Student**	**Graduate Student with Tuition Remission**	**Undergraduate Student**	**Member of the Public**	**Parent**	**Unknown**	**Grand Total**
No Increase In Fees			9	21		2	2		34
Affordability Burden							2		2
Graduate Student Fees - Cost of Living Hardship			9	18		2			29
Increase Graduate Stipend to Offset the Fee Increase				1					1
Reallocate Funds or Reduce Spending				1					1
Services Not Used/Poor Quality of Services Provided				1					1
No Increase - Tuition and Fees		1	3			3			7
Affordability Burden			3			2			5
Exempt Research and Dissertation Credits From Tuition Calculation		1							1
Program Elimination/Defunded - Funds Generated Do Not Benefit Students						1			1
No Tuition Increase	1								1
DEI Program Elimination/Defunded - Funds Generated Do Not Benefit Students	1								1

Comment Theme	Alumnus	Faculty/ Staff	Graduate Student	Graduate Student with Tuition Remission	Undergraduate Student	Member of the Public	Parent	Unknown	Grand Total
General Comment							1	1	2
Bad Decision								1	1
BOV Lacks Black Members							1		1
Total Responses Received	**1**	**1**	**12**	**21**	**0**	**5**	**3**	**1**	**44**

Commentor Name	Affiliation	Comment	Classification
Camille Alvino	Student	I am writing to express my strong opposition to the proposed increase in student fees, particularly as it impacts graduate students who are already struggling with financial hardships. As a graduate student living on a fixed stipend, any additional financial burden exacerbates the existing challenges we face in maintaining a basic standard of living. Graduate students at Virginia Tech play a vital role in the university's research, teaching, and service missions. However, our stipends have not kept pace with the rising costs of living. In recent years, inflation has significantly increased the prices of essential goods, including housing, food, transportation, and healthcare. For many of us, our stipends already fall short of covering necessary expenses, forcing us to make difficult financial decisions or take on additional work, which can negatively impact our academic responsibilities and overall well-being. An increase in student fees would only worsen this financial strain. Unlike salaried employees, who may receive cost-of-living adjustments, graduate students have limited avenues to negotiate higher pay or secure additional personal funding. At the same time, rental prices in the Blacksburg area continue to rise, along with the costs of groceries and other necessities. A higher fee burden would effectively reduce our already minimal take-home income, making it even harder to afford basic needs. I urge the Board of Visitors to consider the disproportionate impact that fee increases have on graduate students, who contribute immensely to the university yet often struggle with financial insecurity. Rather than increasing fees, I encourage the university to explore alternative funding mechanisms that do not place additional burdens on those who can least afford them. Thank you for your time and consideration.	Graduate Student With Tuition Remission
Emma Rice	Student	I am a PhD student at Virginia Tech and currently pay 3,149 per year on student fees. The proposed changes would raise this to 3,743, which is 10% of my annual income. This is not normal - as a master's student at Michigan State University, a comparable land grant institution, my annual student fees were $200 annually ($100 per semester). I believe raising student fees would have a disproportionate impact for graduate students living on stipends compared against the amount of income it would generate for the institution.	Graduate Student
Madison Thurber	Student	I am a graduate student in the fish and wildlife department at Virginia Tech. I struggle every semester to pay the almost 2000 fees. I have to take out loans or sign up for the payment plan which takes out of my rent money. I find myself struggling to afford groceries and other living expenses because of this. I can not stress enough how much increasing this financial burden on me would be extremely stressful and detrimental to my academic career.	Graduate Student

Commentor Name	Affiliation	Comment	Classification
Braiden Quinlan	Student	I am a graduate student in the Department of Fish and Wildlife Conservation. Last year, I made $26,682.03 after taxes and paid $3,446.66 in student fees. 12.92% of my yearly income already goes back to VT. Does any other job in existence require you to PAY your employer in order to work for them? That leaves me $1,903.78 per month to cover rent, food, gas, insurance, car payments, utilities, electricity, internet, etc. Further, with the current administration in the White House and the executive orders being signed daily, I could lose funding any day as many of my colleagues have. This makes our livelihoods even more vulnerable to increasing student fees. Low pay for graduate students has been an issue for decades across universities everywhere. I KNOW almost all graduate students are in the same boat that I am in- barely scraping by, having to have multiple roommates in your 20s & 30s to make ends meet. Increasing student fees would further strain our ability to provide research that the world depends on and VT profits off of. Increasing these fees will likely cause graduate students to drop out of their programs simply because they can no longer afford it- we are already at the precipice.	Graduate Student With Tuition Remission
Mary Adebote	Student	The increase in tuition and fees will make it difficult for me to pay my rent, purchase food items, and utilize funds for basic needs that make me mentally balanced.	Graduate Student
Tanis McDonnell	Student	As a graduate student at Virginia Tech, my fellow students and myself are extremely aware of the political and economic climate we are experiencing today. I am proud to be a graduate student at Virginia Tech however the lack of support and understanding we as graduate students receive from this administration is not only blatant, but embarrassing for a school with such strong ties to research and forward thinking. Graduate students have been extremely vocal in their need for diminished student fees, therefore increasing student fees once again is a clear demonstration of what Virginia Tech thinks of their students. We are expected to work to contribute to Virginia Tech's "greatness" with little pay and increasing fees will leave graduate and undergraduate students alike need for more support that Virginia Tech will never give.	Graduate Student With Tuition Remission
Fang Chen	Student	I am an international PhD student living on a stipend, which already barely covers my basic living expenses. If the university increases fees, I will not be able to afford a reasonable standard of living in Blacksburg.	Graduate Student With Tuition Remission
Matt Millar	Parent	I get the need to raise fees and I am supportive of ensuring a financially healthy institution. But folks, now is not the time. We’re getting killed out here.	Parent
Mary Grace Larson	Student	Please do not raise graduate student comprehensive fees, we can barely afford the cost of living here as it is. The current cost per semester is already untenable, an increase is absolutely unimaginable.	Graduate Student
Zackary William Isenhour	Student	The robust increase in fees for graduate students is appalling. With current trajectory of being approximately an increase of $500 a year for a single graduate student, estimating an income of $30,000 in our department of approximately 1.7% of our total salary. 2.1% of our salary post taxes. For a single semester alone, I've already been paying greater than $1,600 a semester. At this rate we are expected to pay 12.3% of our total salary or 15.4% of our take home salary back to Virginia Tech. At an already extremely low salary, barely livable with roommates and astronomical housing costs, this increase in fees is intolerable from our administration.	Graduate Student With Tuition Remission

Commentor Name	Affiliation	Comment	Classification
Elaine Metz	Student	I am a graduate student who publishes research, teaches students, and participates in the VT community. The proposed increase in fees would be financially devastating to me. The increase would cost me nearly the equivalent of two months of my pay yearly. Meanwhile, I have seen my cost of utilities, groceries, and insurance all rise since arriving here at VT with no matching increase in salary. I budget every dollar I spend, and I am barely able to afford living here. Even though the increase may seem small to you, it is huge for me. I work hard, I am passionate, and I want to contribute to VT as an institution. Increasing the fees for the graduate students who work extremely hard and provide so much of the value (eg. research, teaching) that this institution touts as central to its achievements and goals is extremely disappointing. Please find another way.	Graduate Student With Tuition Remission
Amanda King	Student	As a master's student on a graduate research assistantship, I was dismayed by the proposed increase in student fees. While I am fortunate to have an assistantship, my stipend falls below the national poverty line. With the proposed fees, I will be paying approximately 15% of my take-home income—excluding required parking fees.Many of the services covered by these fees are seldom used by graduate students in my program, as we have found free and more effective alternatives. Having previously attended and graduated from another land-grant university, I find Virginia Tech’s fees to be particularly burdensome and unfair to graduate students already struggling financially. This financial strain is further exacerbated by inflation and federal uncertainties surrounding research funding.I understand that the university has financial obligations, but for many graduate students—who function more as employees than traditional students—these fees pose a significant hardship on an already fixed and limited income. Thank you for taking the time to review my input.	Graduate Student With Tuition Remission
Darby McPhail	Student	As a research graduate student who is the backbone of making Virginia Tech an R1 institute and furthering innovation on behalf of this school, I find this increase of tuition and fees extremely detrimental. We had to fight to increase our stipends to a living wage which we still do not have and on top of that we are supposed to pay more in times of severe inflation making our quality of life poorer and poorer. Please do not increase tuition and fees.	Graduate Student With Tuition Remission
Amaryllis Medero-Vargas	Member of the Public	Increasing the tuition and fees after defunding programs like peace studies and violence prevention outrageous. Where is the money supposed to go if not towards programs that benefit the students who are already paying so much?	Member of the Public

Commentor Name	Affiliation	Comment	Classification
Mariana Castaneda Guzman	Student	As an international student, we not only face higher taxes, which reduces our net income, but we also incur out-of-state fees without the opportunity to switch to in-state tuition. The increase in fees severely affects our livelihood. Housing prices have skyrocketed, making rent nearly unaffordable given our salaries. The overall fees are exorbitantly high, and any further increase is simply unmanageable for maintaining our standard of living, even now it is incredibly hard to live off our wages. Graduate students should not have to pay check! fees are about 2/3 of one months earning, that is not okay. As international students, we face several financial challenges. Not only do we encounter higher taxes, which reduce our net income, but we also pay out-of-state fees without the option to switch to in-state tuition. The increase in these fees significantly impacts our livelihoods. Housing prices have skyrocketed, making rent nearly unaffordable based on our salaries. Overall, the fees are exorbitantly high, and any further increases are simply unmanageable for maintaining our standard of living. It is incredibly difficult to live on our wages as they stand. Graduate students should not have to pay fees that amount to about two-thirds of one month's earnings; this situation is unacceptable.	Graduate Student With Tuition Remission
Student	Student	I, along with several graduate students across departments, firmly believe these increases in fees would make it even more difficult to live off our current wages. Graduate students still receive little compensation for our work, and having to take out fees from our pay makes it even more difficult to afford things like food and housing. This is even further worsened for international students or students who have families. A further increase in fees would only serve to harm the student body.	Graduate Student With Tuition Remission
Ziomara Medero-Vargas	Alumnus	I oppose raising tuition after hearing about defunding programs established after the 2007 Massacre, claiming they were DEI (for example peace studies, violence prevention, social justice studies, etc). Not only is this insulting to the history and legacy of Virginia Tech, eliminating these valuable programs (including other DEI programs and initiatives) will be to the detriment of incoming students who would benefit from the knowledge and opportunities these programs provide to prepare them for their futures.	Alumnus
Chandra Colbert	Parent	Why are there no black people on your board making decisions?	Parent

Commentor Name	Affiliation	Comment	Classification
Bridget Re	Student	I am writing to express my deep concern about the proposed 3% fee increase and the additional $500 flat fee. As a graduate student, I am already struggling to afford basic necessities such as groceries and housing. With the rising costs of living due to inflation, supply chain disruptions, and other economic pressures, even a modest increase in fees feels overwhelming.Many graduate students, including myself, are unable to save any of our income, leaving us financially vulnerable. This added financial burden not only affects our well-being but also impacts the quality of work we are able to produce. Graduate students play a critical role in Virginia Tech's research, teaching, and innovation, and excessive financial stress hinders our ability to contribute effectively. A university that prioritizes student success must also consider the economic realities we face.I respectfully urge the Board to consider the long-term consequences of this increase—not only on individual students but on the broader academic community. A financially stable and supported graduate student body is essential for maintaining the high standards of excellence that Virginia Tech is known for.Thank you for your time and for considering the well-being of those who contribute so much to this institution.	Graduate Student With Tuition Remission
Henry Stevens	Member of the Public	I am writing as a concerned member of the public to strongly oppose the proposed 3% fee increase and $500 flat fee increase for graduate students at Virginia Tech. These students are the backbone of the university—conducting critical research, teaching undergraduates, and contributing to VT's academic excellence. Yet, many are already struggling to afford basic necessities like food and housing. With the rising cost of living, this fee increase will only push them further into financial hardship. It is unacceptable for a prestigious institution like Virginia Tech to place such a burden on students who are essential to its success. Financially strained graduate students cannot perform at their best, which ultimately harms the university's research output, teaching quality, and reputation. Instead of increasing fees, VT should be working to support the well-being of its students. I urge the Board to reconsider this proposal and prioritize policies that ensure graduate students can afford to live and work without constant financial stress.	Member of the Public
Emma Place	Member of the Public	This would cause extreme undue financial burden on your PHD students. At a time when their life's work is already under extreme attack by the United States government, they deserve support. Financial stress on top of the existential stress they are already experiencing will not only harm your students but the work they are able to produce.	Member of the Public

Commentor Name	Affiliation	Comment	Classification
Audrey Re	Member of the Public	Hello, I am writing as a concerned family member to one of your graduate students and a graduate student myself. The proposed increase in fees would disadvantage and financially burden your graduate students resulting in graduate students being unable to afford to live and eat in Virginia. Already, it is widely understood that graduate student stipends are barely livable on and many students have to turn to food vouchers or food pantries to survive. A recently published article in Nature outlines how stagnant stipends have resulted in a drop in PhD enrollment (https://www.nature.com/articles/d41586-025-00425-4). Enacting an increase in fees would worse living for your graduate students and directly impact the research that comes from the university, making it a less desirable place for PhD students to do their research, ultimately resulting in less impactful science being produced by Virginia Tech. In summary, this fee increase would have adverse repercussions not only on your student body but the university's research. Therefore, I am writing to implore you to not enact this fee increase. Sincerely, Audrey Re	Member of the Public
Katherine Millar	Student	Increasing the cost of tuition and fees while the cost of living is high and continues to increase will make it even more difficult for people to afford a higher education. Please do not increase the cost of tuition and fees as this will have a great negative impact on students' ability to afford a college education and to pursue their desired career.	Graduate Student
Alexa Zytnick	Unknown	This is a bad decision	Unknown
Linbo Shao	Faculty/Staff	As an PI actively conduct sponsored research, I would like to comment on the Tuition of PhD-level students beyond their courses and purely enrolled in research courses. Other univiersity, from state universities, such as Penn State University, as well as private universities, such as Harvard, the full tuition is only charged in first two years, and only fees are charge when they only registered for "Research and Dissertation" (e.g. ECE 7994). PhD students at such level do not enrolled in technical courses should not be charged the tuition. Previous discount of 10% in tuition beyond preliminary is far below the peer universities. I would like to propose to exampt "Research and Dissertation" credits from tuition calculation. Current situition of high tuition for senior PhD students (>= 3rd year) results in a disadvantage of VT faculty compared to other R1 universities. Meanwhile, create a unfavourable situation for PhD students, especially for PhD students; some of them might choose to transfer to another university that PI at VT is collabrating with, to have a higher stipend due to no/much lower tuition paid to university. The univerisyt has to acknowledge the fact that most research programs has capped total budget, paying such high tuition will reduce the capability to keep talented students.	Faculty/Staff

Commentor Name	Affiliation	Comment	Classification
Student	Student	Graduate students are struggling to get by, the only thing that should be considered is reducing or eliminating these fees. As a first year student relying on food pantries, living paycheck to paycheck, and not being paid for my work over school breaks, I have had to neglect urgent medical care because I can't afford it. These fees are an enormous barrier for low income students who don't have family support. It doesn't make sense that I pay taxes on "income" that doesn't even get to my bank account, it immediately goes back to my employer. The costs of these fees, health insurance, and parking put students well below the poverty line. A 0% increase is the least the BOV should be doing.	Graduate Student With Tuition Remission
Emma Hultin	Student	While inflation has raised by over 20%, and tuition has increased by 14%, graduate student stipends have not increased proportionally. Despite having the lowest student fees of the large universities in Virginia, the graduate student fees are still several times higher than at comparable universities in the southeast. Grad students are already struggling to afford the cost of living on our stipends and will be severely impacted by increases to our student fees without any changes to our income.	Graduate Student With Tuition Remission
Courtney Taylor	Member of the Public	Raising fees and tuition would strongly impact students who are already contributing significantly to the university. Virginia Tech should be a place where students are able to learn, research, teach, and thrive without undue financial pressures. Please consider not implementing these proposed changes.	Member of the Public
Akea Cader	Student	Hello Board of Visitors, I am writing to express my fear about the potential increase in student fees. As is, I am already on a tight budget to be able to afford rent, groceries, and other bare necessities. I also work a second job so that I can pay my student fees without having to take out loans. With projections of increasing prices related to groceries and other material goods, I fear that this increase in fees will significantly impact my ability to provide for myself. As such, I am requesting that our fees NOT be increased at this time.	Graduate Student
Amy Hagen	Student	Please consider a 0% increase in fees. Graduate students are already not making a living wage, and the current state of the economy is making it even harder to be a graduate student in Blacksburg. I realize that VT is also facing problems because of the state of our country right now, but putting the burden on students to make up this gap is, in my opinion, unconscionable. I would also like to point out that this year I will pay an extra ~\$650 in federal taxes because the ~\$3400 I pay in fees is included in my stipend. If you must continue to raise fees, please find a mechanism to take the fees out of our stipends before we are paid to avoid this extra tax burden. I receive this money and return it directly to you, so why must I pay so much in taxes?	Graduate Student With Tuition Remission
David Lugo	Student	With the current political climate, inflation has continued to increase and compound the effects of being paid below a living wage in Blacksburg, VA. If student tuition fees are increased, it will damper the success of graduate students that promote VIRGINIA TECH across the world in cutting edge research. Living off of a couple grand a month is already hard enough.	Graduate Student With Tuition Remission

Commentor Name	Affiliation	Comment	Classification
Abir Jain	Student	I am an international graduate student and have already been having hardship with managing my funds and support myself. Out of my $2400/month salary. I have been paying $286 twice a month ($572/month) or ~1800 per semester as a part of my comprehensive budget tuition plan. This is already very high (almost x2 and x3 the amount) compared to other land grant universities I have friends in. About ~$850/month goes in paying the rent. And ~$350/month goes in groceries. These are bare minimum expenses. And there are always other expenses. Which barely leaves $628 a month! There is nothing left for savings. If I want to travel to my home country once a year - whatever little savings I have are gone. I again I didn't even add other miscellaneous expenses. Given the current anxiety around uncertainties about so many things including the funding landscape. I hope the university administration sees through the perspective of graduate students and take step to avoid hiking the fees. Thank you!	Graduate Student With Tuition Remission
Zoie McMillian	Student	The proposed a 3% fee increase PLUS a flat increase of more than $500/year would severely harm my success as a graduate student here. That additional cost, without any mandated raises, would make it so that I could no longer afford to live in my current apartment, which would affect my ability to stay here and complete my degree. Additionally, our graduate student fees are already astronomically greater than many other VA state schools as well as the fees of public universities in bordering states. I sincerely beg you all not to move forward with such damaging action, especially during such uncertain times when many graduate students do not know if they will even maintain their current payment and funding (a particularly pressing issue in the fish and wildlife department).	Graduate Student
Althea McMillian	Parent	As a parent of a graduate student that also attended VT for her undergraduate degree, I am opposing the fee increase. Through the years that my child has attended I have seen the fees increase exponentially. College tuition and fees are getting to be unaffordable for my family.	Parent
Jordan Mouton	Student	I am a current master's student studying at Virginia Tech, asking that the Board of Visitors reconsider their proposed changes to the institution's tuition and fees. Current economic conditions have placed undue strain on graduate students both personally and institutionally, and the proposed raises in tuition and fees will only serve to exacerbate this issue. I ask on behalf of myself and my fellow graduate students at Virginia Tech, who are the backbone of this institution's research component, that the Board of Visitors not approve a future increase in tuition and fees. Thank you.	Graduate Student

Commentor Name	Affiliation	Comment	Classification
Megan Zeger	Student	The student fees are already high enough and raising them without providing additional services seems excessive. As a grad student, we make barely above the minimum to apply for food stamps. The cost of my student fees were more than an entire paycheck from my grad stipend. The cost of living in general has increased at every aspect of our lives (groceries, rent, etc.), while our pay hasn't. Many of us are busy being students and having an additional job to pay for these fees is not possible for everyone. This is especially true for international students who are legally not allowed to work or have very limited hours that they are able to work. I have enjoyed my time at Virginia Tech, but the increase of tuition fees feels as though you're trying to squeeze as much money out of people who are already doing services (research, etc.) for the university.	Graduate Student With Tuition Remission
Dayna Winograd	Student	The student fees are already much higher at VT than compared to other institutions. A fee increase would make it increasingly difficult for graduate students to thrive.	Graduate Student
Julia Rohde	Student	I am writing to firmly voice my opinion that there should be a 0% fee increase, as this would a huge burden to me personally given my already strained resources and the exorbitant student fees already in place at this university. This would also place huge burdens on my peer and damage the productivity and cohesion of our graduate school program.	Graduate Student
Amanda Steinberg	Student	Dear Board of visitors, On behalf of my fellow graduate students, I'm reaching out to request a 0% increase in student fees. In fact, we as student students have been striving to reduce the current fees, so an increase would be counterproductive to our mission. I feel immensely grateful to be a Hokie and to get to produce research that I'm passionate towards. However, the graduate student life does come with a big price and much of that price is within the student fees. With the high cost of living in a college town, it is difficult to even pay rent let alone have savings, especially when student fees are in the mix. Any increase in the student fees would make a severe impact on each grad student's life, who's trying their best to work hard and get by as it is. I seriously hope you consider these comments when making your decision, because again, we will be impacted by any %increase. Thank you for your time.	Graduate Student

Commentor Name	Affiliation	Comment	Classification
Gabby Patarinski	Student	I am a graduate student in clinical psychology. Due to the recent political upheaval and uncertainty plaguing universities across the US, my work has been affected by not only by increased financial strain due to rising inflation and a failing economy, but also by the uncertainty of funding to complete my doctoral research at this institution. Graduate students make far less in pay than we are worth, considering our degrees, experience, and the amount of labor we provide our institutions. Research, teaching, and outreach are not low-effort or cost-free activities, and we are certainly not paid enough to live in Blacksburg without the burden of financial strain constantly hindering our progress. Mandatory fees present an undue burden on the graduate students that this university relies on to function. Further, our advisors are prohibited from supporting us by covering these costs in most cases. Potential applicants are deterred by these astronomical fees, which represent a substantial percentage of the meager salary we are paid. It would be wonderful if VT could invest back into its graduate students the way we invest in VT's future. Please vote for a 0% fee increase. Surely, a university such as VT should be able to reallocate internal money, reduce administrators' salaries, spend less on athletics, or use some of the millions of dollars collected on our record-breaking giving days to figure out how to support vital university functions without actively harming it's graduate students with more fee increases and no increase in graduate student salary.	Graduate Student With Tuition Remission
Allison Tobar	Student	Please do not raise fees for graduate students. I am not making a livable wage and most of my peers make close to the poverty line. Not only do we have regular expenses but our wage does not cover unexpected expenses like car repairs or medical bills. Increasing the fees will prevent me from being able to pay for my monthly utilities as 200+ per paycheck is already deducted with the payment plan but that can help pay for car payments and gas and food. I had to decline blood work from my doctor to check on my health because I wouldn't be able to pay for it since I was already behind on previous medical bills.	Graduate Student With Tuition Remission
Cecelia Wood	Student	Dear BOV, Please do not increase the comprehensive student fees next year! With the ever-increasing cost of living, it has become very difficult to afford to live in Blacksburg. An increase of student fees would make it even harder for students to thrive and would drive away prospective grad students, imperiling the ability of VT to conduct top-tier research. Additionally, my very tubby cat is eating me out of house and home and an increase in fees means a decrease to her snack budget! My cat, Jolene, says thank you in advance for your consideration. Best, Cecelia	Graduate Student

Commentor Name	Affiliation	Comment	Classification
Avery Gendell	Student	I urge the BOV not to increase E&G fees for FY26. As a graduate student, fees are already a stressful financial burden at their current amount. I, and the average grad student at Virginia Tech make well less than the cost of living in Blacksburg, even before paying fees. I see many of my peers struggle with food insecurity, despite working for a high-ranking land-grant university that grows in value by millions of dollars each year. Raising fees will hinder student well-being and success, and I ask that you consider this sincerely.	Graduate Student With Tuition Remission
Andrew Gunsch	Student	It is already so expensive to live in Blacksburg. Graduate students are not earning a living wage as it is. Please do not raise our fees.	Graduate Student With Tuition Remission

Federal Legislative Update and Financial Impacts

Chris Yianilos, Vice President for Government & Community Relations

Simon Allen, Vice President for Finance & Chief Financial Officer

March 24, 2025

Three broad categories of federal engagement

1. Federal Funding

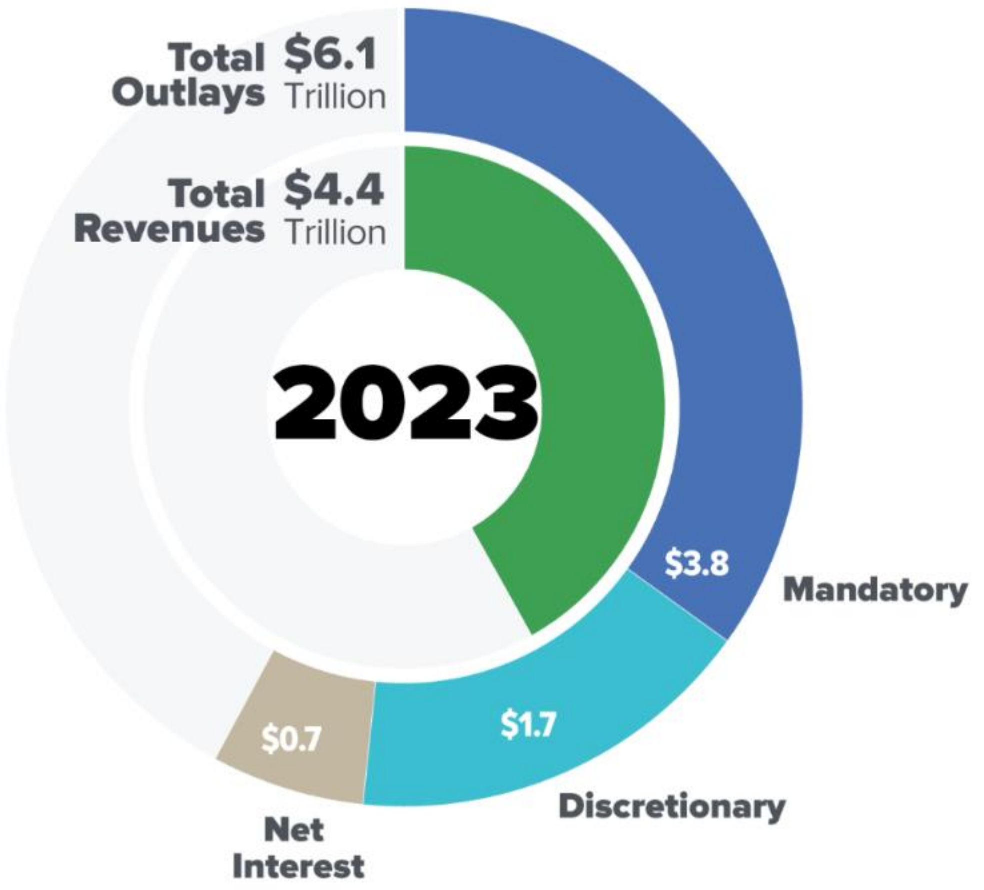
2. Recent Executive Actions

3. Reconciliation

I. Federal Funding

National Programs of Importance to Virginia Tech and Virginia Tech Specific Projects

THE FEDERAL BUDGET IN FISCAL YEAR **2023**



Mandatory Spending

Primarily payments for benefit programs whose eligibility rules and benefit formulas are set by law

Discretionary Spending

Spending that lawmakers control through annual appropriation acts

Net Interest

The government's interest payments on debt held by the public, offset by interest income the government receives

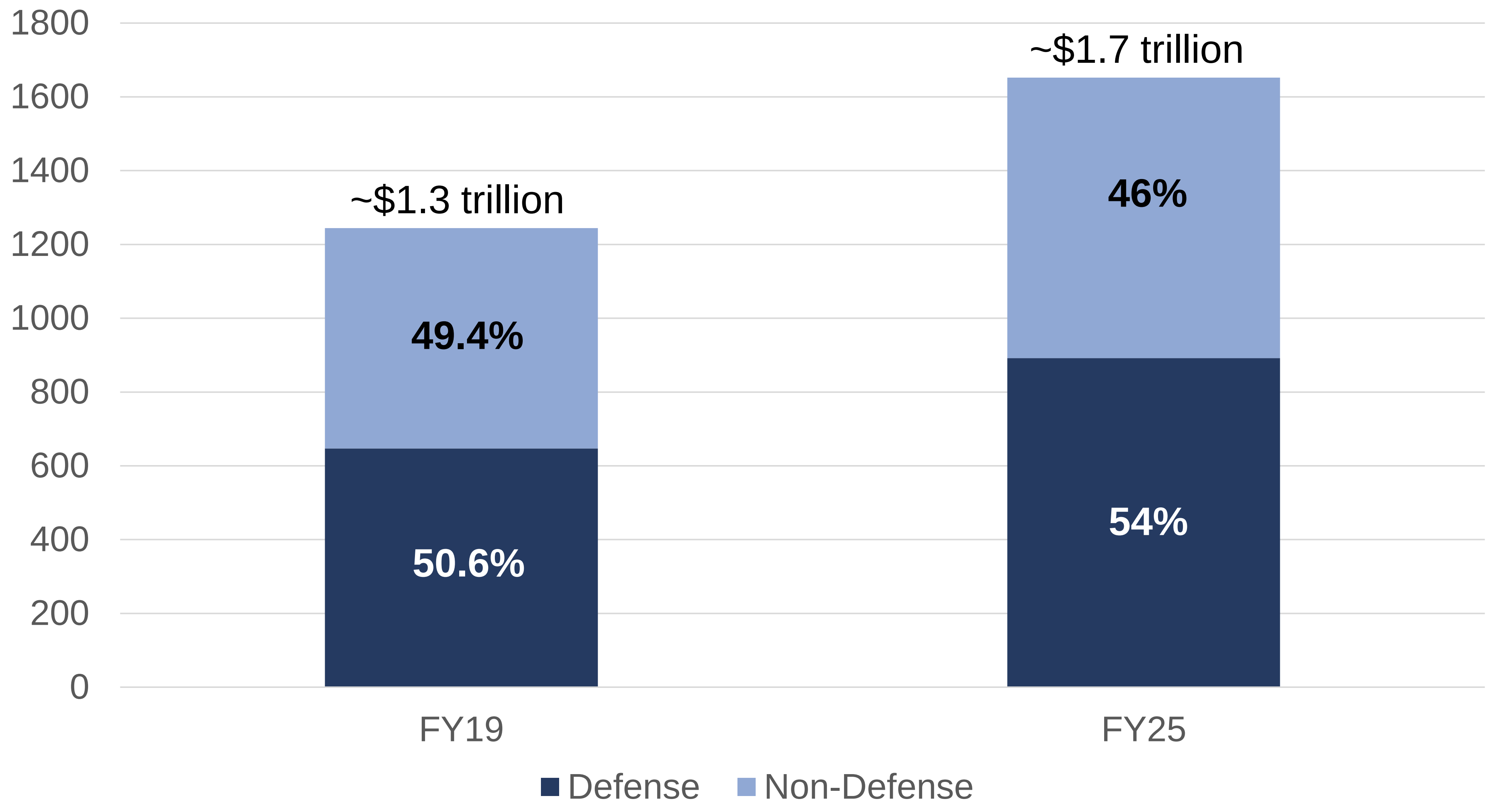
Revenues

Taxes and other funds collected from the public that arise from the government's exercise of its sovereign powers

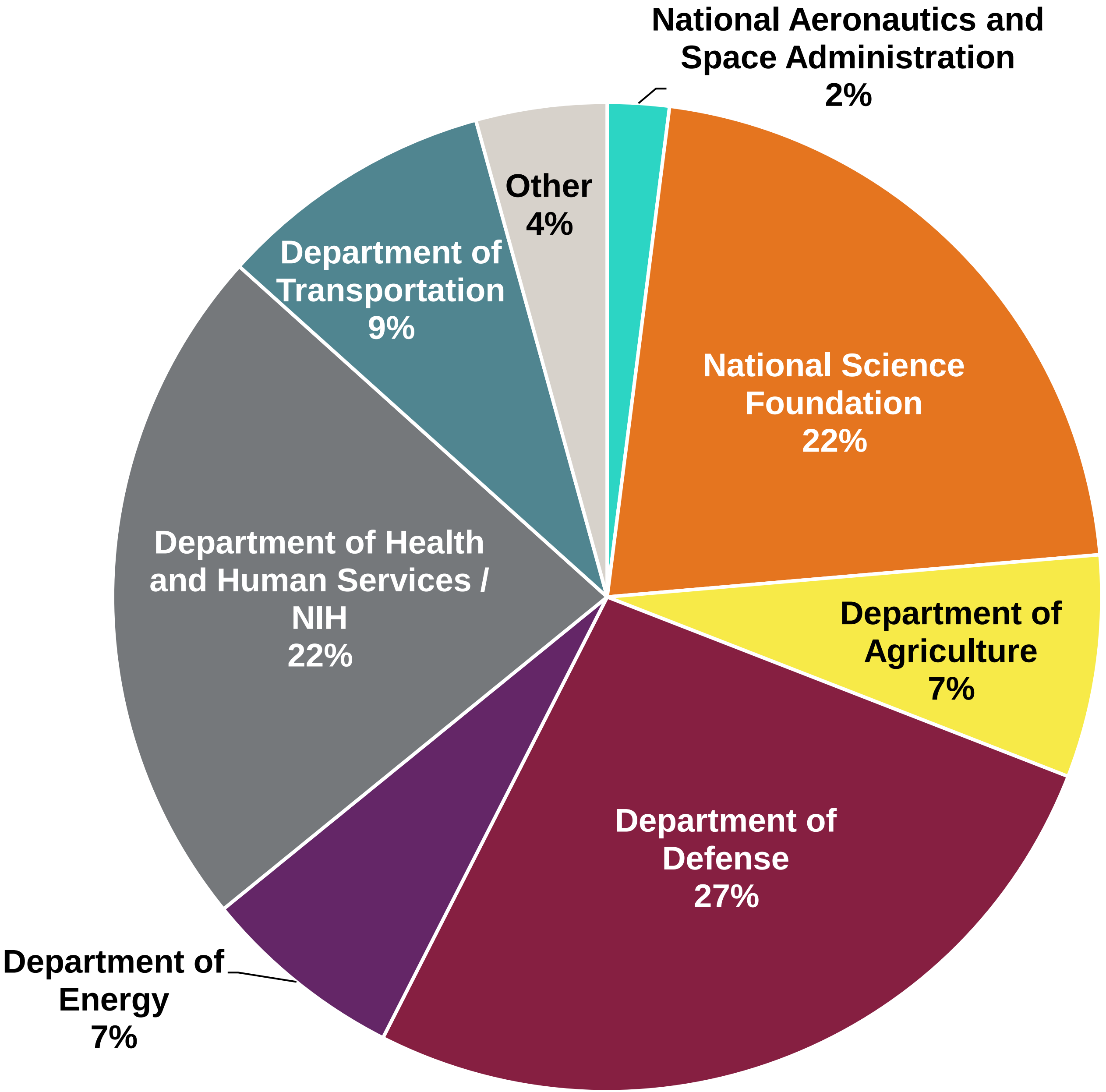
Source: Congressional Budget Office

Federal Discretionary Spending

(in billions)



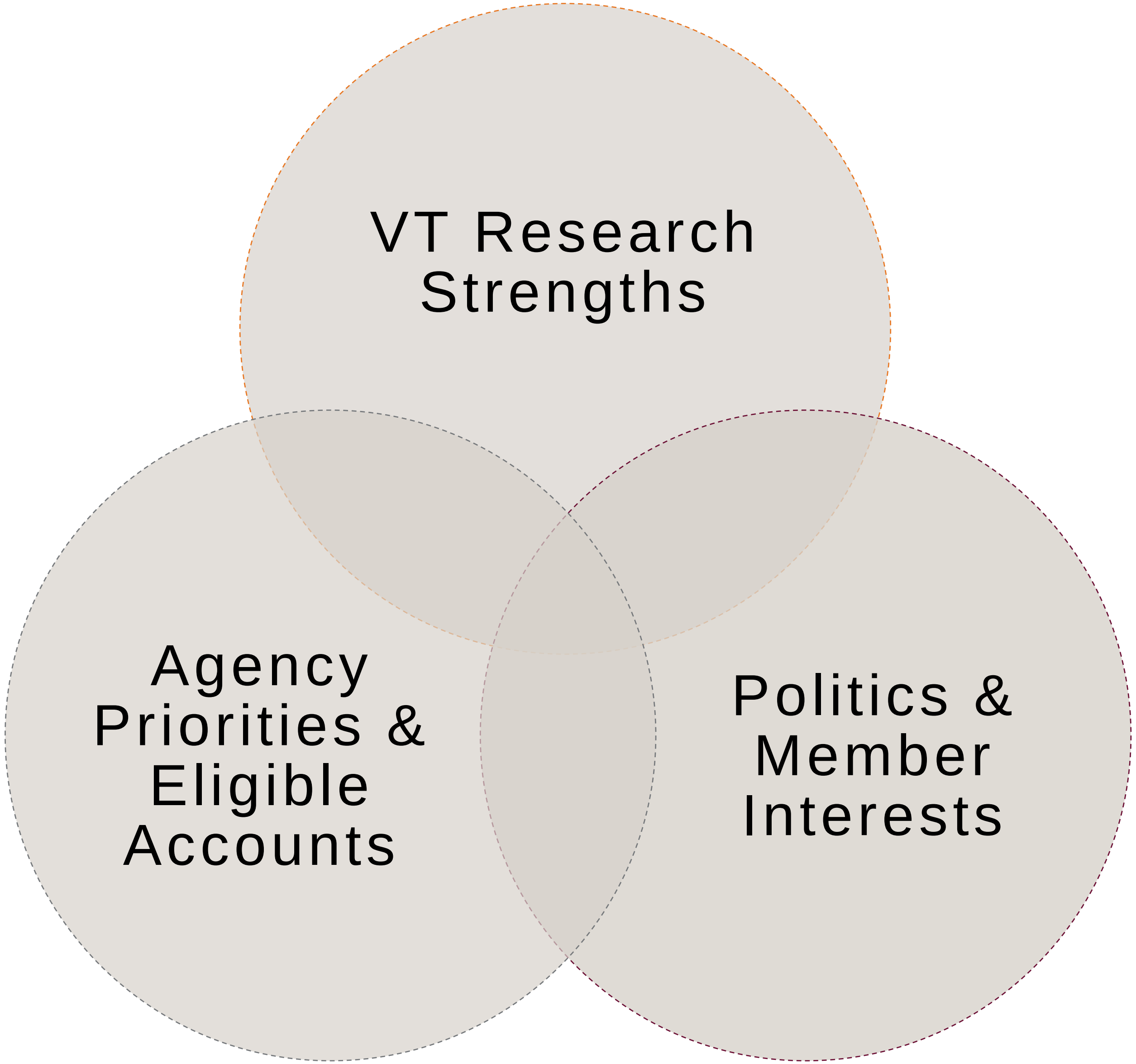
Virginia Tech’s Federal Research Portfolio



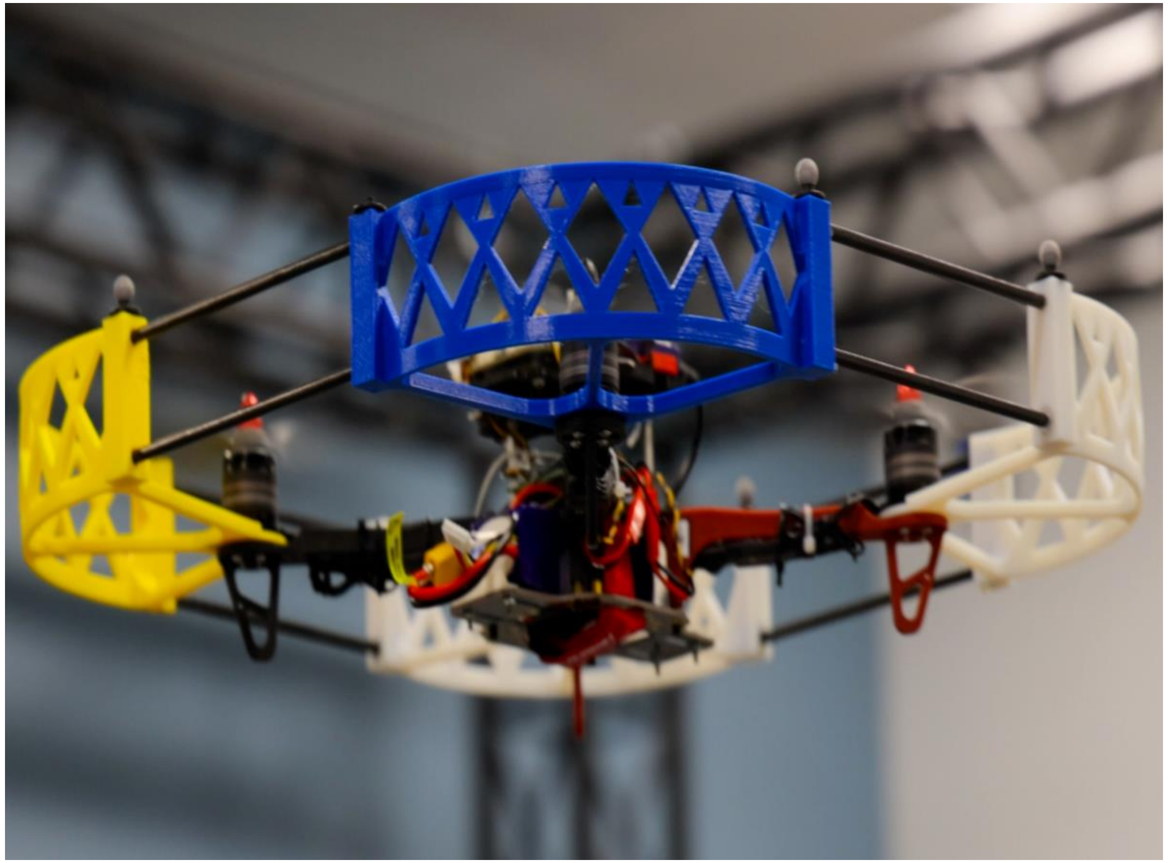
Appropriations for Top Federal Sponsors

Agency/Program	FY24 Enacted	FY25 Enacted
Department of Defense RDT&E	$148.3 billion	$141.2 billion
National Institutes of Health	$48.6 billion	$48.3 billion
National Science Foundation	$9.060 billion	$9.060 billion

Funding for Virginia Tech Specific Projects



Counter UAS Testing and Research Center



- MAAP and NSI partnership with Army Counter UAS Office
- $5 million included in FY24 DOD appropriations bill

II. Recent Executive Actions

Diversity, Equity, Inclusion, and Accessibility (DEIA)

- **Executive Orders:**

  - Ending Radical And Wasteful Government DEI Programs and Preferencing (January 20, 2025)

  - Ending Illegal Discrimination and Restoring Merit-Based Opportunity (January 21, 2025)

- **Federal Agency Actions:**

  - U.S. Department of Justice Memo (February 5, 2025)

  - U.S. Department of Education's Dear Colleague Letter (February 14, 2025)

  - U.S. Department of Education's Frequently Asked Questions Document (February 28, 2025).

- **Commonwealth of Virginia Guidance:**

  - Virginia Attorney General Guidance (Issued February 26, 2025)

  - Virginia Secretary of Education Letter to College Presidents and Rectors (March 1, 2025)

Immigration

- **Executive Order** – Protecting the United States from Foreign Terrorists and Other National Security and Public Safety Threats

  - Issued January 20, 2025

Miscellaneous

- Reduce Facilities & Administrative Rate on NIH grants to 15%
- Grant Funding Termination
- Federal Hiring Freeze, Reduction in Force, Relocation of Agencies

III. Reconciliation

Possible Reconciliation Challenges

- Eliminate the interest earned tax exemption on state and local bonds

- Elimination of Parent Plus and Grad Plus Loans

- Risk Sharing

- Capping Pell Grant Awards

Discussion

Federal Research Financial Impacts

Simon Allen, Vice President for Finance
& Chief Financial Officer

Sponsored Expenditures by Agency (FY24)

	FY24 Federal Sponsored Expenditures		
	Research	Public Service & Instruction	Total
Direct			
DHHS/NIH	$ 48.8	$ 1.4	$ 50.2
NSF	49.2	1.7	50.9
DOD	47.6	2.8	50.4
USDA	18.8	10.9	29.7
DOT	20.4	-	20.4
DOE	15.3	0.1	15.4
Interior	5.0	0.5	5.5
NASA	4.6	-	4.6
ED	0.1	3.4	3.5
Commerce	1.5	0.5	2.0
USAID	1.7	0.2	1.9
EPA	0.4	0.7	1.1
State	0.8	0.3	1.1
Various	1.9	1.2	3.1
Subtotal	216.1	23.7	239.8
Reimbursed F&A	73.1	3.6	76.7
GRAND TOTAL	**$ 289.2**	**$ 27.3**	**$ 316.5**

all dollars in millions

- Research accounts for over 90 percent of direct and F&A federal sponsored expenditures, comprising 14 percent of university revenue budget
- The top three agencies account for two thirds of direct expenditures across all federal research activity

Financial Implications of New Policies for Federal Research Funding

Changes to Uniform Guidance regulations for recovery of Facilities and Administration ('F&A' or 'overhead'/'indirect') research expenditures:

- NIH ($13M+)
- All Federal ($55M+)

Government-wide spending cuts may result in funding reduction and elimination/downsizing of federal agencies, diminishing total available funding:

- Reduced continuation funding for existing projects
- Fewer new awards
- Increased competitive pressure / tougher negotiations with sponsors
- Changing federal priorities (+/- impacts, net result unclear)

Sponsored Awards by Agency

	Active Sponsored Awards			Impacted Awards	
	Number	Maximum Award[1]	Unexpended Award	Number	Unexpended Award[2]
NSF	589	$ 367.4	$ 172.8	1	$ 0.3
DHHS/NIH	347	363.0	152.2	1	-
DOD	353	286.7	125.9	2	3.3
USDA	412	274.7	176.6	4	2.0
DOE	157	117.6	49.9	2	2.2
DOT	117	92.9	34.1	1	0.1
NASA	86	36.9	17.2	1	1.0
Interior	115	28.1	9.3	2	1.2
Commerce	45	18.0	11.3	-	-
ED	9	16.8	10.5	-	-
USAID	6	12.8	7.4	6	7.4
EPA	20	8.6	5.7	-	-
State	3	4.2	2.0	3	2.0
All Other	57	11.9	6.5	1	0.1
GRAND TOTAL	**2,316**	**$ 1,639.6**	**$ 781.4**	**24**	**$ 19.6**

[1]$255.2M contingent on future increase authorizations

[2]$11.1Terminated, $7.4M Fully Stopped, $1.1M Partially Stopped

as of March 18, 2025; $ in millions

- Awards affected by terminations and stop work notices comprise 2.5 percent of unexpended awards
  - All USAID terminated
- Status remains uncertain on $80M USDA program begun in FY24

Research Indirect Cost Reimbursements

FY24 Federal Research F&A *$ in millions*	Actual @ 60%	Scenario @ 15%	Impact
Direct Labor and Nonlabor	$ 216.1	$ 216.1	$ -
Less: Modified Total Direct Cost Exclusions[1]	(64.8)	(64.8)	-
MTDC	151.3	151.3	-
Multiply: F&A Rate	x 60.0%	x 15.0%	-45.0%
F&A Based on Rate	90.8	22.7	(68.1)
Less: Unrecovered F&A	(17.7)	(4.6)	13.1
Reimbursed F&A	**$ 73.1**	**$ 18.1**	**$ (55.0)**

1MTDC Exclusions: $33.9 Subcontracts, $20.1 Scholarships, $10.8 Equipment and Other

After MTDC exclusions and unrecovered F&A, FY 2024 reimbursement under the 60% negotiated rate amounted to:

- **34%** of direct expenditures ($73.1M / $216.1M)
- **25%** of total federal research expenditures ($73.1M / ($216.1M + $73.1M))

Mitigating Actions

1. **Proactively manage grant drawdowns and daily risk exposure: UNDERWAY**
2. **Develop federal research revenue scenarios to understand impact: COMPLETE**
3. **Understand impact across campus: UNDERWAY**
   - **Colleges**
   - **Institutes**
   - **'Facilities & Administration' funding arrangements**
   - **Alternative resources (reserves, alternative funding options, etc.)**
4. **Assess mitigating actions required: STARTED**
5. **Implement as necessary: STARTED**

Discussion

Financial Performance Report – Operating and Capital

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

July 1, 2024 to December 31, 2024

The Financial Performance Report of income and expenditures is prepared from two sources: actual accounting data as recorded at Virginia Tech and the annual budgets which are also recorded in the university accounting system. The actual accounting data reflect the modified accrual basis of accounting, which recognizes revenues when received rather than when earned and commitments to buy goods and services as encumbrances when obligated and as an expenditure when paid. The Original Budget was approved by the Board of Visitors at the June meeting. The Adjusted Budget reflects adjustments to incorporate actual experience or changes made during the fiscal year. These changes are presented for review by the Finance and Resource Management Committee and the Board of Visitors through this report. Where adjustments impact appropriations at the state level, the university coordinates with the Department of Planning and Budget to ensure appropriations are reflected accurately.

The year-to-date budget is prepared from historical data which reflects trends in expenditures from previous years as well as known changes in timing. Differences between the actual income and expenditures and the year-to-date budget may occur for a variety of reasons, such as an accelerated or delayed flow of documents through the accounting system, a change in spending patterns at the college level, or increases in revenues for a particular area.

Quarterly budget estimates are prepared to provide an intermediate measure of income and expenditures. Actual revenues and expenditures may vary from the budget estimates. The projected year-end budgets are, however, the final measure of operating budget performance.

Capital program performance is measured against the Total Project Budget. The Total Project Budget amounts reflect appropriations and authorizations established by the State or Board of Visitors for each capital project. These amounts are recorded in the accounting system with revenue and expenditure budgets upon the effective date of each project, which normally occurs on July 1 or after Board of Visitors approval. Under restructuring authorities, university administration may make minor changes to a Total Project Budget, within ten percent, and the revised Total Project Budget is shown on the subsequent quarterly report. The Cumulative Expenditures reflect lifetime-to-date activity until a project is complete, and a project's life spans multiple fiscal years. The Annual Budgets are estimates of expected activity for a 12-month portion of the life of a project. Spending pace for a project may periodically slow or accelerate during a year for a variety of reasons including shifts in construction start dates, contractor performance or billing cycles, and supply chain disruptions. The Annual Budgets are revised accordingly and shown on the subsequent quarterly report.

<u>RECOMMENDATION:</u>

That the report of income and expenditures for the University Division and the Cooperative Extension/Agricultural Experiment Station Division for the period of July 1, 2024 through December 31, 2024 and the Capital Outlay report be accepted.

March 25, 2025

OPERATING BUDGET
2024-25
Dollars in Thousands

	July 1, 2024 to December 31, 2024			Annual Budget for 2024-25		
	Actual	Budget	Change	Original	Adjusted	Change
Educational and General Programs						
University Division						
Revenues						
General Fund	$132,985	$132,985	$0	$288,480	$294,023	$5,543 (7)
Tuition and Fees	409,208	407,668	1,540 (1)	736,209	733,609	-2,600 (8)
All Other Income	35,628	35,257	371 (2)	59,850	62,519	2,669 (9)
Total Revenues	$577,821	$575,910	$1,911	$1,084,539	$1,090,151	$5,612
Expenses						
Academic Programs	$-343,375	$-344,616	$1,241	$-653,902	$-657,286	$-3,384
Support Programs	-220,050	-222,243	2,193	-430,637	-432,865	-2,228
Total Expenses	$-563,425	$-566,859	$3,434	$-1,084,539	$-1,090,151	$-5,612 (7,8,9)
NET	$14,396	$9,051	$5,345	$0	$0	$0
CE/AES Division						
Revenues						
General Fund	$45,816	$45,816	$0	$92,942	$92,847	$-95 (10)
Federal Appropriation	8,038	8,348	-310 (3)	15,647	17,761	2,114 (11)
All Other Income	901	793	108	1,426	1,601	175 (12)
Total Revenues	$54,755	$54,957	$-202	$110,015	$112,209	$2,194
Expenses						
Academic Programs	$-54,933	$-54,460	$-473 (3)	$-101,199	$-103,217	$-2,018
Support Programs	-6,148	-6,648	500	-8,816	-8,992	-176
Total Expenses	$-61,081	$-61,108	$27	$-110,015	$-112,209	$-2,194 (10,11,12)
NET	$-6,326	$-6,151	$-175	$0	$0	$0
Auxiliary Enterprises						
Revenues	$284,724	$278,554	$6,170 (4)	$480,384	$477,863	$-2,521 (4)
Expenses	-242,417	-253,022	10,605 (4)	-459,984	-479,597	-19,613 (4)
Reserve Drawdown/(Deposit)	-42,307	-25,532	-16,775 (4)	-20,400	1,734	22,134 (4)
NET	$0	$0	$0	$0	$0	$0
Sponsored Programs						
Revenues	$258,123	$232,627	$25,496 (5)	$510,079	$510,079	$0
Expenses	-271,864	-257,373	-14,491 (5)	-510,079	-510,079	0
Reserve Drawdown/(Deposit)	13,741	24,746	-11,005	0	0	0
NET	$0	$0	$0	$0	$0	$0
Student Financial Assistance						
Revenues	$31,365	$30,919	$446	$63,337	$64,849	$1,512 (13)
Expenses	-31,079	-31,413	334	-63,337	-64,849	-1,512 (13)
Reserve Drawdown/(Deposit)	0	0	0	0	0	0
NET	$286	$-494	$780	$0	$0	$0
All Other Programs *						
Revenue	$5,193	$5,797	$-604 (6)	$18,211	$18,018	$-193 (14)
Expenses	-5,694	-7,666	1,972 (6)	-18,211	-19,765	-1,554 (14)
Reserve Drawdown/(Deposit)	501	1,869	-1,368 (6)	0	1,747	1,747 (14)
NET	$0	$0	$0	$0	$0	$0
Total University						
Revenues	$1,211,981	$1,178,764	$33,217	$2,266,565	$2,273,169	$6,604
Expenses	-1,175,560	-1,177,441	1,881	-2,246,165	-2,276,650	-30,485
Reserve Drawdown/(Deposit)	-28,065	1,083	-29,148	-20,400	3,481	23,881
NET	$8,356	$2,406	$5,950	$0	$0	$0

* All Other Programs include federal work study, surplus property, local funds, and unique military activities.

OPERATING BUDGET

1. Tuition and Fee revenues are slightly higher than projected due to timing of payments.
2. University Division All Other Income revenues are higher than projected due to higher than projected continuing education activities.
3. The budget for federal revenue is established to match projected allotments from the federal government that are expected to be drawn down during the state fiscal year. All expenses in federal programs are covered by drawdowns of federal revenue up to allotted amounts. Federal revenue in the Cooperative Extension and Agriculture Experiment Station Division is lower than projected due to timing of federal drawdowns.
4. Quarterly and projected annual variances are explained in the Auxiliary Enterprises section of this report.
5. Historical patterns have been used to develop a measure of the revenue and expenditure activity for Sponsored Programs. Actual revenues and expenses may vary from the budget estimates because projects are initiated and concluded on an individual basis without regard to fiscal year. Total sponsored research revenues are higher than projected. The sponsored research expenditures are 10.9% higher than December 31, 2023.
6. Revenues and Expenses for All Other Programs were lower than projected due to lower than projected Surplus Property activity.
7. The annual University Division general fund budget was increased $5.4 million for the VT share of Statewide one-time Virginia Military Survivors and Dependents Education Program (VMSDEP) waiver pool. The budget was increased $0.2 million for central appropriation adjustments. The budget was decreased $0.1 million for the Tech Talent master's MOU adjustment. The corresponding expenditure budgets have been adjusted accordingly.
8. The annual budget for Tuition & Fees was decreased $2.1 million for higher than projected VMSDEP waiver activity and $1.0 million for one-time student financial aid support. To reflect updated enrollment level and mix, the budget for undergraduate was increased $1.7 million, for graduate increased $0.8 million, for professional programs decreased $0.7 million, and for summer 2024 decreased $1.3 million. The corresponding expenditure budgets have been adjusted accordingly.
9. The University Division All Other Programs Income budget was increased $2.0 million to reflect increased activity in the CVM Veterinary Teaching Hospital and $0.7 million for the finalization of the VTCSOM budget. The corresponding expenditure budgets have been adjusted accordingly.
10. The annual budget for Cooperative Extension/Agriculture Experiment Station Division General Fund decreased $0.1 million for the general fund share of state compensation programs and fringe benefit rate changes. The corresponding expenditure budgets have been adjusted accordingly.
11. The federal revenue budget in the Cooperative Extension/Agricultural Experiment Station Division has been increased $2.1 million for the carryover of federal funds to FY25. The corresponding expenditure budgets have been adjusted accordingly.
12. The All Other Income budget in the Cooperative Extension/Agriculture Experiment Station Division has been increased $0.2 million for higher than projected VCE self-generated revenue. The corresponding expenditure budgets have been adjusted accordingly.
13. The student financial assistance revenue and expenditure budgets were increased $0.3 million for the FY25 Pell Grant Initiative Programs and $1.2 million to support the nongeneral fund scholarship program.
14. The projected annual budgets for All Other Programs were decreased $0.2 million to finalize budgets. The projected annual expense budgets were increased $1.7 million for outstanding 2023-24 commitments that were initiated but not completed before June 30, 2024.

AUXILIARY ENTERPRISES

Dollars in Thousands

	July 1, 2024 to December 31, 2024			Annual Budget for 2024-25		
	Actual	Budget	Change	Original	Adjusted	Change
Residence and Dining Halls *						
Revenues	$101,706	$99,720	$1,986 (1)	$184,819	$179,749	$-5,070 (4)
Expenses	-85,500	-90,794	5,294 (1)	-179,256	-180,757	-1,501 (4,5)
Reserve Drawdown/(Deposit)	-16,206	-8,926	-7,280 (1)	-5,563	1,008	6,571 (4,5)
Net	$0	$0	$0	$0	$0	$0
Parking and Transportation						
Revenues	$17,593	$16,308	$1,285 (2)	$26,078	$26,078	$0
Expenses	-11,486	-12,279	793	-23,789	-25,237	-1,448 (4,5)
Reserve Drawdown/(Deposit)	-6,107	-4,029	-2,078 (2)	-2,289	-841	1,448 (4,5)
Net	$0	$0	$0	$0	$0	$0
Telecommunications Services						
Revenues	$17,288	$16,766	$522	$23,347	$23,587	$240 (4)
Expenses	-10,545	-11,017	472	-22,557	-26,206	-3,649 (4,5)
Reserve Drawdown/(Deposit)	-6,743	-5,749	-994	-790	2,619	3,409 (4,5)
Net	$0	$0	$0	$0	$0	$0
University Services * **						
Revenues	$39,554	$39,144	$410	$69,450	$69,450	$0
Expenses	-40,077	-43,133	3,056 (3)	-68,664	-72,262	-3,598 (4,5)
Reserve Drawdown/(Deposit)	523	3,989	-3,466 (3)	-786	2,812	3,598 (4,5)
Net	$0	$0	$0	$0	$0	$0
Intercollegiate Athletics *						
Revenues	$66,722	$66,484	$238	$101,540	$102,985	$1,445 (4,7)
Expenses	-61,685	-61,231	-454	-96,923	-100,885	-3,962 (4,5,7)
Reserve Drawdown/(Deposit)	-5,037	-5,253	216	-4,617	-2,100	2,517 (4,5,7)
Net	$0	$0	$0	$0	$0	$0
Electric Service *						
Revenues	$23,486	$22,862	$624	$48,576	$49,415	$839 (4)
Expenses	-23,610	-24,500	890	-46,410	-49,096	-2,686 (4,5)
Reserve Drawdown/(Deposit)	124	1,638	-1,514	-2,166	-319	1,847 (4,5)
Net	$0	$0	$0	$0	$0	$0
Inn at VT/Skelton Conf. Center						
Revenues	$7,725	$6,855	$870	$14,171	$14,171	$0
Expenses	-7,511	-7,815	304	-12,788	-14,277	-1,489 (5)
Reserve Drawdown/(Deposit)	-214	960	-1,174	-1,383	106	1,489 (5)
Net	$0	$0	$0	$0	$0	$0
Other Enterprise Functions ***						
Revenues	$10,650	$10,415	$235	$12,403	$12,428	$25 (4)
Expenses	-2,003	-2,253	250	-9,597	-10,877	-1,280 (4,5,8)
Reserve Drawdown/(Deposit)	-8,647	-8,162	-485	-2,806	-1,551	1,255 (4,5,8)
Net	$0	$0	$0	$0	$0	$0
TOTAL AUXILIARIES						
Revenues	$284,724	$278,554	$6,170	$480,384	$477,863	$-2,521
Expenses	-242,417	-253,022	10,605	-459,984	-479,597	-19,613
Reserve Drawdown/(Deposit)	-42,307	-25,532	-16,775	-20,400	1,734	22,134
Net	$0	$0	$0	$0	$0	$0

* University Systems include Dormitory and Dining Hall System, University Services System, Intercollegiate Athletics System, and Electric Service System. The Systems were created to provide assurance to bond holders that system revenues are pledged for the payment of debt service and to allow for dedicated repair and replacement that are not subject to liens of any creditor of the university.

** University Services System includes Career & Professional Development, Center for the Arts, Health Services, Recreational Sports, Student Engagement & Campus Life, Cultural and Community Centers, Student Organizations, and the VT Rescue Squad.

*** Other Enterprise Functions include Hokie Passport, Library Photocopy, Licensing & Trademark, Little Hokie Hangout, New Student and Family Programs, Pouring Rights, Software Sales, Tailor Shop and Clearing Accounts.

AUXILIARY ENTERPRISE BUDGET

1. Revenues in Residence and Dining Halls are higher than projected due to higher than budgeted residence hall occupancy and summer conferences. Expenses are lower than projected due to timing of expenses.
2. Revenues in Parking and Transportation Services are higher than projected due to higher than budgeted permit and self-generated revenues.
3. Expenses for the University Services System are lower than projected due to timing of operating expenses.
4. The annual revenue and expense budgets for Residence and Dining Halls were decreased $6.3 million for lower dining business volume.
5. In June 2024, the annual revenue, expense, and reserve budgets for Auxiliary Enterprises were adjusted for technical alignments and finalization of fixed cost estimates.
6. The annual expense budget for Auxiliary Enterprises were increased $22.1 million for outstanding 2023-24 commitments and projects that were initiated but not completed before June 30, 2024.

Auxiliary Enterprise	**Outstanding Commitments**
Residence and Dining Halls	$ 6,575,218
Parking and Transportation	1,564,851
Telecommunication Services	3,407,884
University Services System	4,241,856
Intercollegiate Athletics	2,513,098
Electric Service	1,097,019
Inn at Virginia Tech	1,489,009
Other Enterprise Functions	1,252,065
Totals	**$ 22,141,000**

7. The annual revenue and expense budgets for Intercollegiate Athletics were increased $1.3 million to accommodate the football team's participation in the Duke's Mayo Bowl.
8. The annual expense and reserve budgets for Other Enterprise Functions were increased for scholarship expenses in Licensing and Trademark.

CAPITAL OUTLAY PROJECTS
AUTHORIZED AS OF DECEMBER 31, 2024
Dollars in Thousands

	PROJECT INITIATED	FISCAL YEAR ACTIVITY ANNUAL BUDGET	FISCAL YEAR ACTIVITY YTD EXPENDITURES	TOTAL PROJECT BUDGET STATE SUPPORT	TOTAL PROJECT BUDGET NONGENERAL FUND	TOTAL PROJECT BUDGET REVENUE BOND	TOTAL PROJECT BUDGET TOTAL BUDGET	CUMULATIVE EXPENDITURES	
EDUCATIONAL AND GENERAL PROJECTS									
Design Phase									
Planning: New Business Building	Apr 2022	$ 6,300	$ 1,815	$ -	$ 8,000	$ -	$ 8,000	2,987	(1)
Expand VTC SOM & Fralin Biomedical Research Institute	Sept 2023	3,500	611	-	9,000	-	9,000	630	(2)
Improve Center Woods Complex	Nov 2023	829	268	14,404	296	-	14,700	285	(3)
Improve Campus Accessibility	Jul 2024	250	-	8,000	-	-	8,000	0	(4)
Planning: CVM Teaching Hospital Renovation & Expansion	Aug 2024	500	3	-	4,300	-	4,300	3	(5)
Planning: Improvements to Eastern Shore AREC	Sept 2024	300	-	1,515	-	-	1,515	0	(6)
Planning: Repair Derring Hall Envelope	Oct 2024	300	-	1,624	-	-	1,624	0	(7)
Planning: Rescue Squad Facility	Nov 2024	400	-	-	2,000	-	2,000	0	(8)
Construction Phase									
Maintenance Reserve	On-going	18,580	10,319	20,645	-	-	20,645	10,319	(9)
Livestock & Poultry Research Facilities, Phase I	Oct 2016	4,000	1,772	31,764	-	-	31,764	26,762	(10)
Building Envelope Improvements	Aug 2022	8,000	571	-	13,580	33,620	47,200	6,406	(11)
Life, Health, Safety, Accessibility, & Code Compliance	Jul 2020	2,800	1,792	10,400	-	-	10,400	7,949	(12)
Mitchell Hall (Replace Randolph Hall)	Jul 2020	30,000	8,649	264,453	27,828	-	292,281	24,512	(13)
Equipment and Special Initiatives									
Fralin Biomedical Research Institute Equipment	Jul 2020	245	19	18,133	-	-	18,133	17,907	(14)
Equipment for Workforce Development	May 2021	5,000	1,541	42,437	-	-	42,437	13,685	(15)
Close-Out									
Corps Leadership and Military Science Building	Jun 2019	2,036	770	-	21,600	30,400	52,000	50,351	(16)
Hitt Hall	Apr 2017	9,112	6,053	-	33,600	51,400	85,000	79,938	(17)
Undergraduate Science Laboratory Building	Jul 2017	16,000	9,642	90,412	-	-	90,412	80,612	(18)
Innovation Campus - Academic Building	Jul 2019	40,895	22,053	177,164	80,336	44,636	302,136	257,765	(19)
TOTAL EDUCATIONAL AND GENERAL PROJECTS		$ 149,047	$ 65,878	$ 680,950	$ 200,540	$ 160,056	$ 1,041,547	$ 580,112	

Education and General Projects

1. Planning: New Business Building: This planning project will design a 92,300 gross square foot building for the Pamplin College of Business. Working drawings are underway.

2. Planning: Expand Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute: This planning project will design a new 100,000 gross square foot building for the VT-C School of Medicine, 25,000 gross square foot ground level parking, and renovate 51,000 gross square feet of the existing School of Medicine and Research Institute building to be backfilled by the Fralin Biomedical Research Institute. Schematic design is underway.

3. Improve Center Woods Complex: This project will demolish the existing 12 facilities that have surpassed their useful life and construct 25,900 GSF of research laboratories, research support spaces, equipment storage and offices. Construction was authorized during the 2023 General Assembly Session. The total project budget reflects the capital budget request submission and may be revised by the Commonwealth's Six-Year Capital Advisory Committee (Six-PAC) at the completion of preliminary design. Schematic design is complete and reconciliation of cost estimates is underway.

4. Improve Campus Accessibility: This project improves pedestrian connectors to ensure accessible service in the southeastern zone of campus project and targets the section of the infinite loop from East Eggleston Hall to Dietrick Hall. Procurement for AE services is complete and schematic design is underway.

5. Planning: College of Veterinary Medicine Teaching Hospital Renovation & Expansion: This planning project will design a new 32,000 gross square foot addition and 25,000 gross square foot renovation for the College of Veterinary Medicine Teaching Hospital's academic program. Procurement for AE services is in process.

6. Planning: Improvements to Eastern Shore AREC: This planning project will design a 13,500 square foot services complex to support research at the Eastern Shore AREC and renovate the main building. Procurement for AE services is in process.

7. Planning: Repair Derring Hall Envelope: This planning project will design a repair solution for the exterior envelope of Derring Hall. Planning amount received from the Commonwealth. Report on condition of building's exterior and recommendations for repairs under review.

8. Planning: Rescue Squad Facility: This planning project will design a new 12,500 gross square foot facility for the Virginia Tech Rescue Squad (VTRS). Procurement of AE services is in process.

9. Maintenance Reserve: The total project budget reflects $1.759 million of carryforward from fiscal year 2024 and $18.885 million of new appropriations from the State for fiscal year 2025. The annual budget amount reflects the pace necessary to meet the state's 85 percent spending performance requirement.

10. Livestock & Poultry Research Facilities, Phase I: The new swine, poultry, beef, and equine facilities are substantially complete. A supplement from the State to support the fifth and final bid package has been received. Construction of three hay barns and the demolition swine facilities past their useful life are underway with substantial completion expected December 2025.

11. Building Envelope Improvements: This project will complete envelope improvements to four buildings.

12. Life, Health, Safety, Accessibility, & Code Compliance: This project improves accessible pedestrian connectors in the North Academic District. The installation of two enclosed elevator towers for an accessible pathway from the ground level of Derring Hall to Burchard Plaza is complete. Accessible pathway improvements from Perry Street to the Drillfield are under construction with substantial completion expected May 2025. The accessible pathways between Patton Hall, Holden Hall, and McBryde Hall is expected August 2025.

13. Mitchell Hall (Replace Randolph Hall): This project will replace Randolph Hall with an approximately 285,500 gross square foot building to accommodate engineering instruction and research. Demolition and sitework is underway. Initial pricing for the remainder of the project, GMP-2, was received with subcontractor pricing for mechanical and electrical trades resulting in a budget that would exceed the project's authorization. Supplement funding for those trades is included in the Executive Budget for the 2025 General Assembly session.

14. Fralin Biomedical Research Institute Equipment: This funding supports the procurement and installation of specialized research equipment for the Fralin Biomedical Research Institute.

15. Equipment for Workforce Development: This project supports space and equipment purchases for the instructional programs associated with the Tech Talent Investment Program.

16. Corps Leadership and Military Science Building: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

17. Hitt Hall: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

18. Undergraduate Science Laboratory Building: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

19. Innovation Campus – Academic Building: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

Capital Outlay Projects Authorized as of December 31, 2024 (Continued)

Dollars in Thousands

		FISCAL YEAR ACTIVITY		TOTAL PROJECT BUDGET					
	PROJECT INITIATED	ANNUAL BUDGET	YTD EXPENDITURES	STATE SUPPORT	NONGENERAL FUND	REVENUE BOND	TOTAL BUDGET	CUMULATIVE EXPENDITURES	
AUXILIARY ENTERPRISE PROJECTS									
Design Phase									
Planning: Student Life Village, Phase I	Jun 2023	$ 7,500	$ 920	$ -	$ 19,500	$ -	19,500	$ 1,234	(1)
Construction Phase									
Maintenance Reserve	On-going	14,500	7,381	-	14,500	-	14,500	7,381	(2)
Close-Out									
New Upper Quad Residence Hall	Jun 2019	600	192	-	16,071	25,929	42,000	39,684	(3)
Student Wellness Improvements	Jun 2016	12,000	7,986	-	25,574	44,426	70,000	64,443	(4)
Football Locker Room Renovations	Jun 2023	2,500	1,408	-	5,900	-	5,900	4,369	(5)
TOTAL AUXILIARY ENTERPRISE PROJECTS		$ 37,100	$ 17,887	$ -	$ 81,545	$ 70,355	$ 151,900	$ 117,111	
GRAND TOTAL		$ 186,147	$ 83,765	$ 680,950	$ 282,085	$ 230,411	$ 1,193,447	$ 697,223	

Auxiliary Enterprise Projects

1. Planning for Student Life Village, Phase I: The planning project will design the first phase of the Student Life Village which will include 1,750 new beds, dining service capacity to meet approximately 4,000 transactions per day, and recreational space of approximately 23,000 gross square feet. The new beds are intended to replace the existing beds in Slusher Hall, provide for approximately 620 new beds for the Global Business and Analytics Complex (GBAC), and 500 beds to allow for swing space to pull existing residence halls offline for refurbishments. Schematic design is underway.

2. Maintenance Reserve: The auxiliary maintenance reserve program covers 106 assets with a total replacement value of $1.4 billion. Projects are scheduled and funded by the auxiliary enterprises. The units prepare five-year plans that outline their highest priority deferred maintenance needs. The annual budget and total project budget reflect the spending plans of the auxiliary units on maintenance reserve work scheduled for fiscal year 2025. The annual and total budgets may be adjusted during the year depending on the actual spending activities of the auxiliary units provided expenditures do not exceed the total resources encumbered for the program.

3. New Upper Quad Residence Hall: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

4. Student Wellness Improvements: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

5. Football Locker Room Renovation: The project is complete and will be closed and financial accounts terminated when final invoices are received and paid.

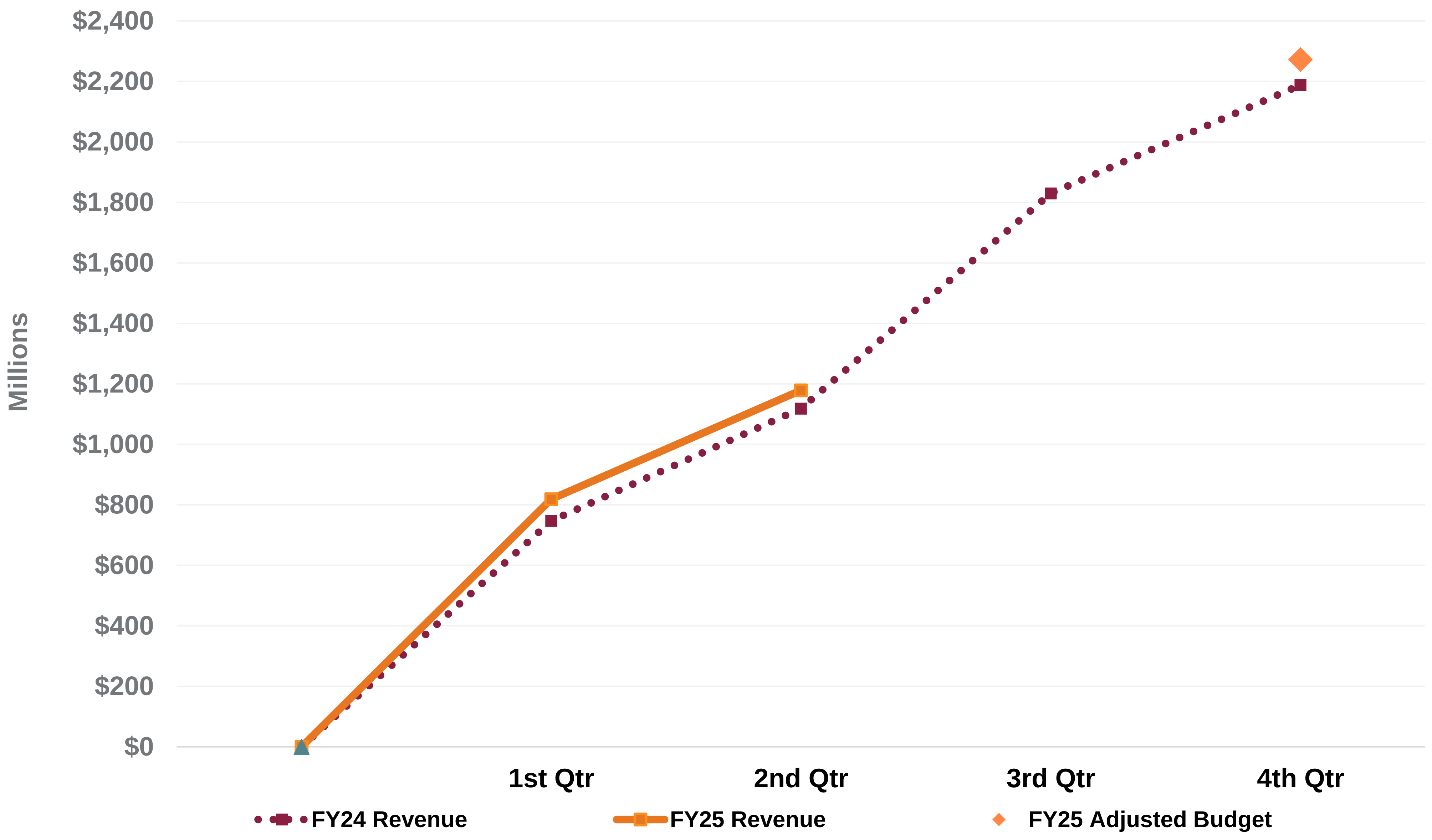
Financial Performance Report
July 1, 2024 – December 31, 2024

Tim Hodge, Associate Vice President of Budget and Financial Planning

Rob Mann, Assistant Vice President for Capital Budgeting and Financing

March 24, 2025

Operating Revenues



Operating Sources & Uses | University Consolidated

Cash Basis - $ in 1,000s

	FY23 Q2	FY24 Q2	FY25 Quarter 2		Variance Analysis	
			FY25 Q2	FY25 Q2	Projected Budget v. Actual	
Sources	*Actual*	*Actual*	*Projected Budget*	*Actual*	*Dollars*	*Percentage*
Tuition & E&G Fees (net)	$ 383,557	$ 399,834	$ 419,502	$ 421,499	$ 1,997	0.5%
State Appropriations	160,446	166,468	197,886	197,875	(11)	0.0%
Federal (VCE/AES)	6,285	8,107	8,348	8,038	(310)	-3.7%
Sponsored Programs(Direct & Indirect)	189,524	232,625	232,627	258,123	25,496	11.0%
Auxiliary Enterprise Revenue & Fees	228,626	264,049	278,554	284,724	6,170	2.2%
Other	35,583	47,509	41,847	41,722	(125)	-0.3%
Total Operating Revenue	$ 1,004,021	$ 1,118,592	$ 1,178,764	$ 1,211,981	$ 33,217	2.8%
Uses						
Personnel Costs						
Salaries (includes GAs & Wage)	$ 493,981	$ 533,799	588,606	$ 585,416	$ 3,190	0.5%
Fringe Benefits	145,095	159,607	175,995	170,742	5,253	3.0%
Financial Aid, Appropriated (a)	27,868	24,633	27,163	31,079	(3,916)	-14.4%
General Expense & Services (Operating)	201,657	237,625	262,024	259,134	2,889	1.1%
Continuous Charges (utilities, leases, insurance)	71,275	86,470	95,348	101,256	(5,908)	-6.2%
Debt Service	13,704	25,670	28,306	27,933	373	1.3%
Total Operating Expenses	$ 953,580	$ 1,067,805	$ 1,177,441	$ 1,175,560	$ 1,881	0.2%
Net from Operations	$ 50,441	$ 50,787	$ 1,323	$ 36,421	$ 35,098	2652.9%

Footnote

(a) In the Commonwealth of Virginia, appropriated student financial aid is a subset of the entire student financial aid program. Grossing this up with financial aid shows a more complete picture of institutional aid

2nd Quarter 2024-25

Annual Revenue Budget Changes During the Quarter

208 E&G

- $2.0 million increase for CVM Teaching Hospital activity.
- $0.2 million increase for state share of salaries and fringe benefit rate changes.

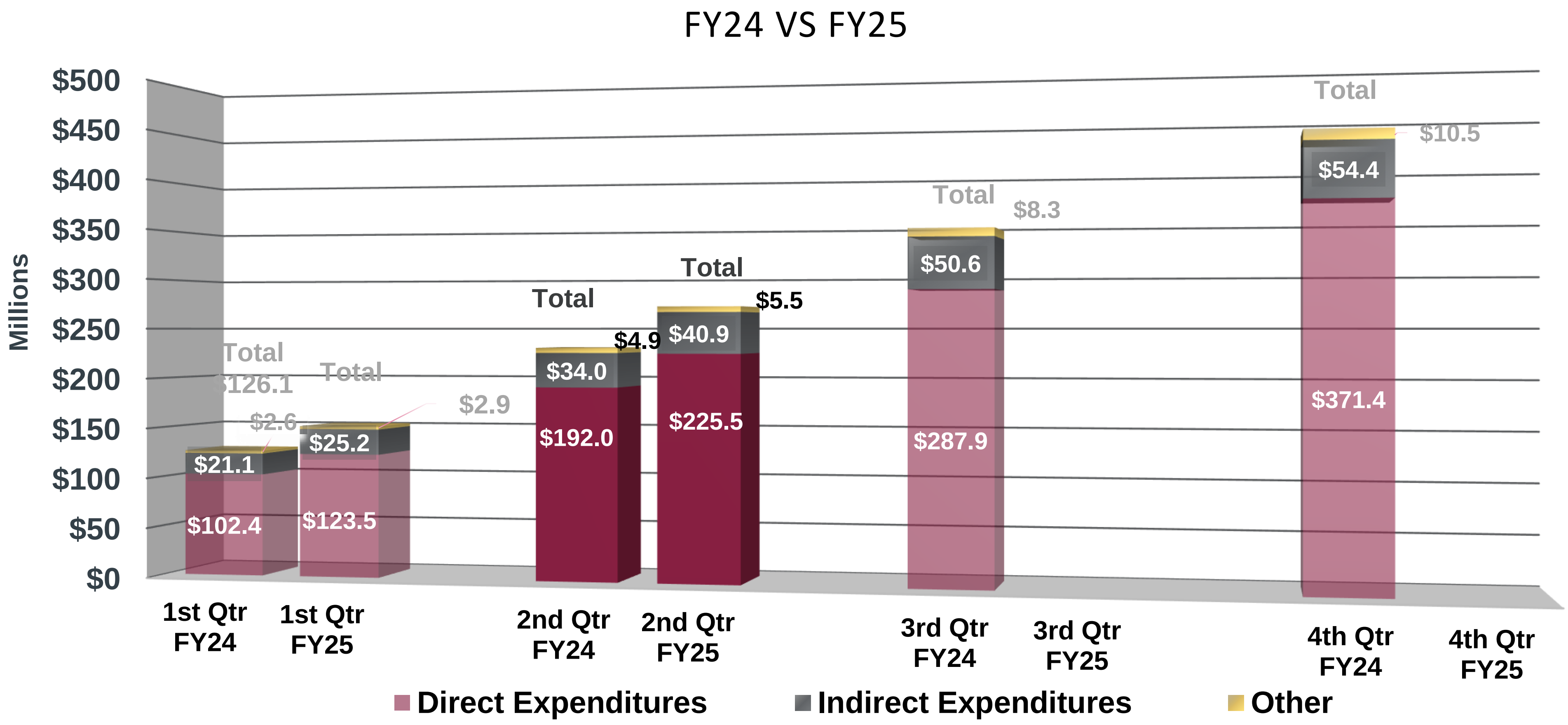
229 E&G

- $0.1 million decrease for state share of salaries and fringe benefit rate changes.
- $0.1 million increase in federal to align federal fiscal year with state fiscal year.
- $0.2 million increase for VCE self-supporting activity.

Auxiliary Enterprises

- Athletics: $1.3M increase for football team's participation in the Duke's Mayo Bowl
- Dining: $6.3M decrease and alignment for lower than projected meal plan participation

Sponsored Program Expenditures



There is considerable uncertainty over current and future Federal program and grant activities due to changing Federal priorities

Capital Program

Capital Outlay Total Program

	1st Quarter Ended	2nd Quarter Ended	3nd Quarter	4th Quarter
Design	**8**	**9**		
Construction	**7**	**6**		
Equipment	**2**	**2**		
Closeout	**6**	**7**		
Total Projects	**23**	**24**		
Total Budget ($ in Thousands)	$1,189,823	$1,193,447		
Total Expenditures ($ in Thousands)	$665,311	$697,223		

Timing for Construction Pricing

FEB 2025	MAY 2025	OCT 2025	JAN 2026
Mitchell Hall Full Construction	New Business Building	Improve Center Woods Complex	Expand VTC School of Medicine and FBRI
$222,200,000	$71,000,000	$9,800,000	$117,300,000

Cumulative design expenses through December 31, 2024- $5,140,000

Projects Coming Online

VIRGINIA TECH

ADA & Code Compliance- Phase II	ADA & Code Compliance- Ph III	Livestock Haybarns	Mitchell Hall (Replace Randolph)
May 2025	September 2025	December 2025	May 2028

Cumulative construction expenses through December 31, 2024 - $83,330,000

Approval of Year-to-Date Financial Performance Report

July 1, 2024 – December 31, 2024

Recommendation:

That the report of income and expenditures for the University Division and the Cooperative Extension/Agriculture Experiment Station Division for the period of July 1, 2024 through December 31, 2024 and the Capital Outlay report be approved.

March 25, 2025

Advancement Update

Charlie Phlegar, Senior Vice President for Advancement

March 24, 2025

Discussion

University’s Annual Financial Statements

Simon Allen

Vice President For Finance and Chief Financial Officer

Melinda West

Associate Vice President For Finance and University Controller

March 24, 2025

Successful Audit & Solid Financial Position

Solid revenue sources	**Aa1 and AA+ Credit Rating** **Target AA− or Better**	**4.82% Debt Ratio** **Target <= 6%**
Unmodified audit opinion	**No material weakness involving internal controls**	**One internal control finding**

Summary of Revenues, Expenses, and Changes in Net Position

For the years ended June 30, 2024 and 2023

(all dollars in millions)

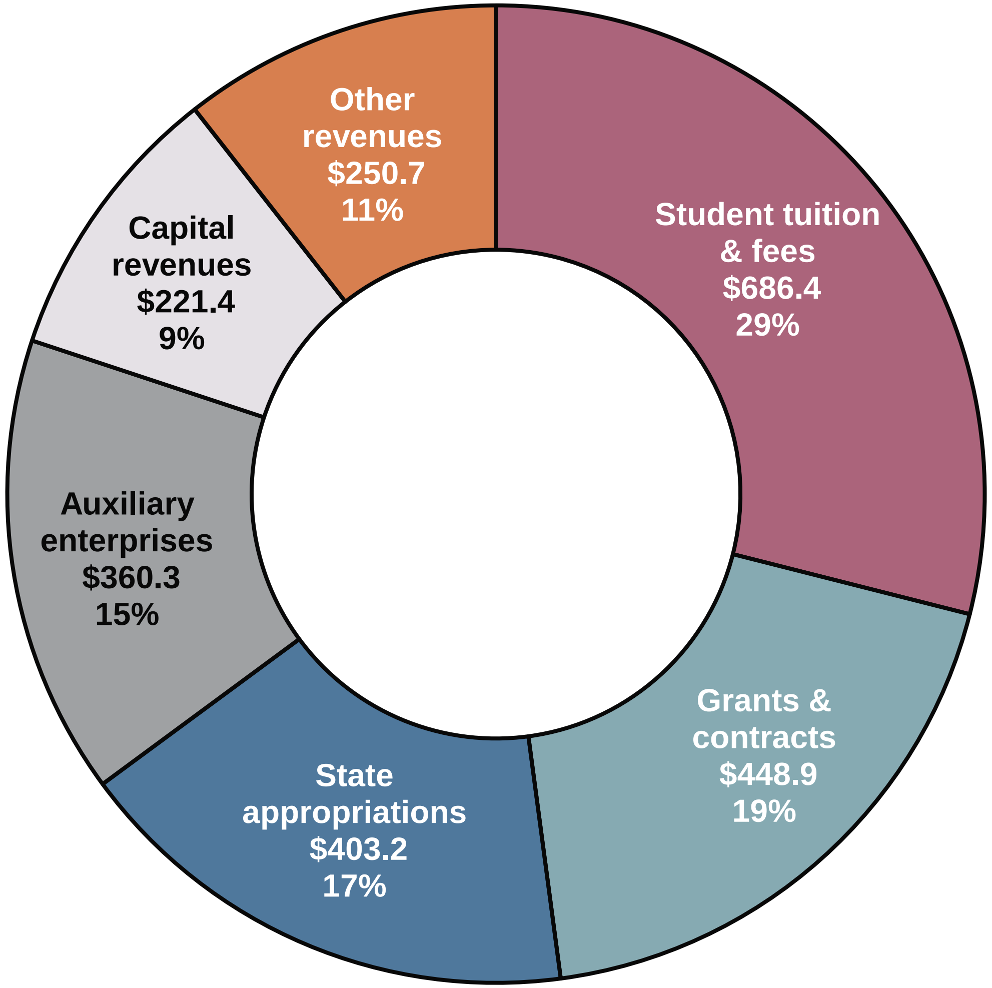
	2024	2023 (*restated*)	Change Amount	Change Percent
Operating revenues	$ 1,537.9	$ 1,443.3	94.6	6.6 %
Operating expenses	1,953.9	1,810.4	143.5	7.9 %
Operating loss	**(416.0)**	**(367.1)**	**(48.9)**	**13.3 %**
State appropriations	403.2	365.3	37.9	10.4 %
Investment Income, net	88.8	60.3	28.5	47.3 %
Other non-operating revenues (expenses)	119.6	119.8	(0.2)	(0.2)%
Non-operating revenues (expenses)	**611.6**	**545.4**	**66.2**	**12.1 %**
Income before other revenues and expenses	**195.6**	**178.3**	**17.3**	**9.7 %**
Other revenues, expenses, gains, or losses	221.4	212.9	8.5	4.0 %
Increase in net position	**417.0**	**391.2**	**25.8**	**6.6 %**
Net position – beginning of year	2,555.0	2,163.8	391.2	18.1 %
Net position - end of year	**$ 2,972.0**	**$ 2,555.0**	**$ 417.0**	**16.3 %**

Operating loss: Under GASB reporting, public universities will always show an operating loss because state appropriations, gifts, and investment income are all considered non-operating revenues.

Total Revenues by Source

For the year ended June 30, 2024

(all dollars in millions)

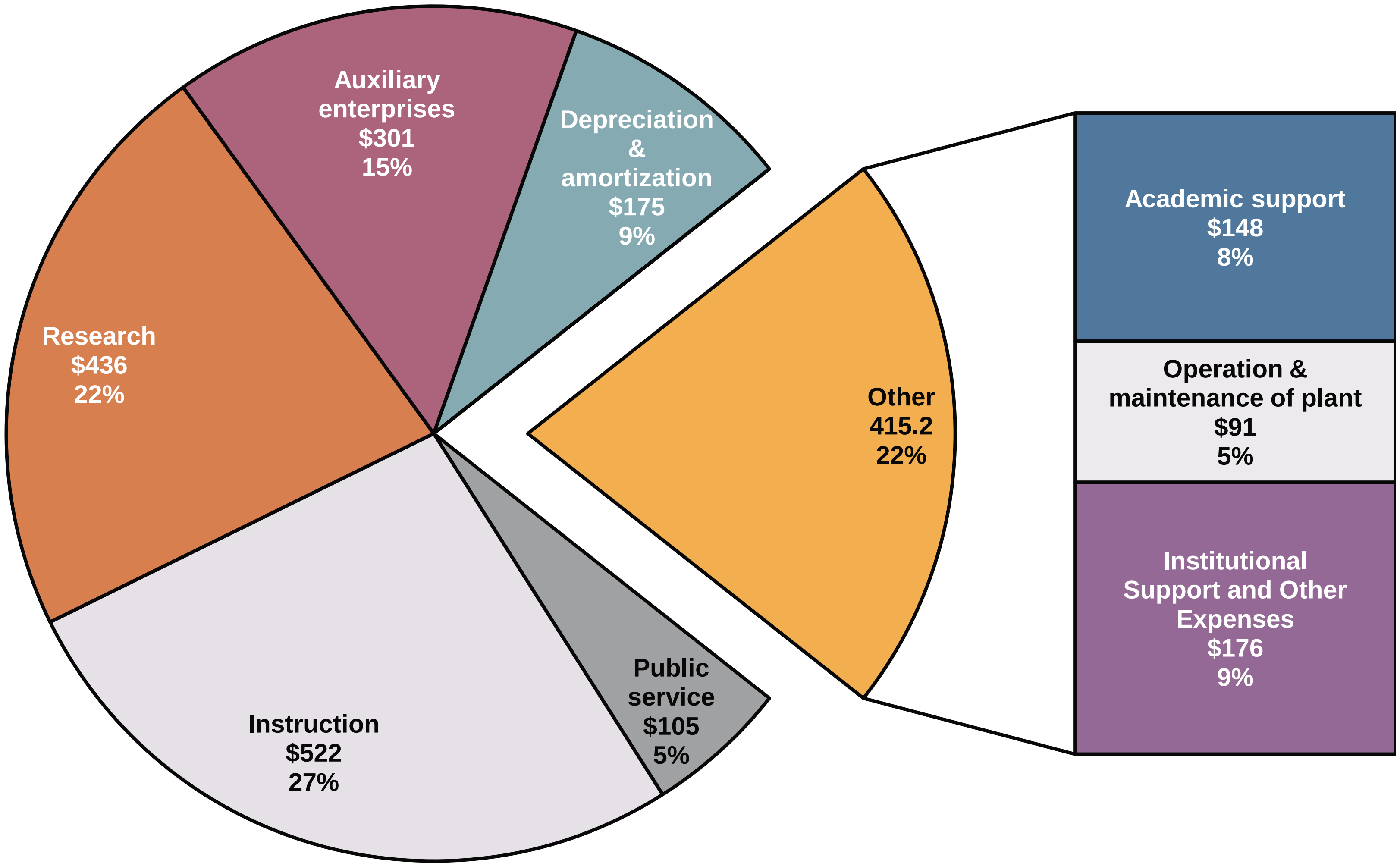


- Total revenue increased by $169.2M in 2024 vs. 2023.
- Strong growth in operating revenues, led by tuition, grants, and auxiliary enterprises.
- State appropriations and investment income saw notable increases of $38M and $28M.

** Other revenues include gifts, investment income, federal Pell grants and other non-operating revenue offset by interest expense on debt related to capital assets, long-term leases and subscription-based IT arrangements*

Total Operating Expenses by Function

For the year ended June 30, 2024
(all dollars in millions)

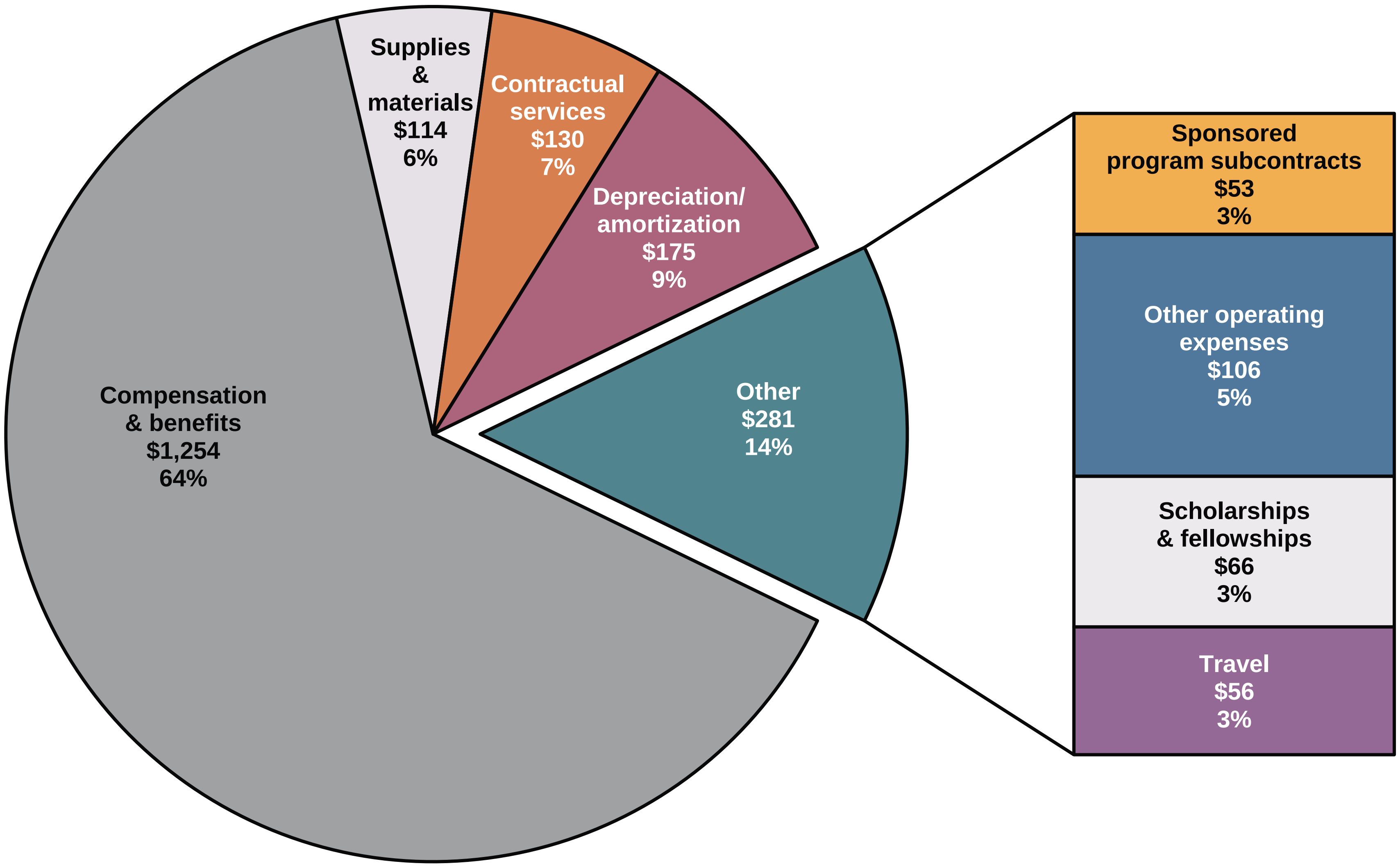


- Total expenses increased by $143.5M in 2024 vs. 2023.
- Instruction is the largest expense category at $522M (27%), highlighting a primary focus on teaching and learning.
- Research is the second-largest expense at $436M (22%), emphasizing the institution's commitment to innovation and discovery.

Total Operating Expenses by Natural Classification

For the year ended June 30, 2024

(all dollars in millions)



- Non-personnel operational costs (such as supplies, contractual services, and travel) are relatively lower.
- Majority of spend is directed toward staffing and infrastructure rather than discretionary expenses (as is typical for a Higher Ed organization).

Statement of Net Position ('Balance Sheet' View)

For the years ended June 30, 2024 and 2023

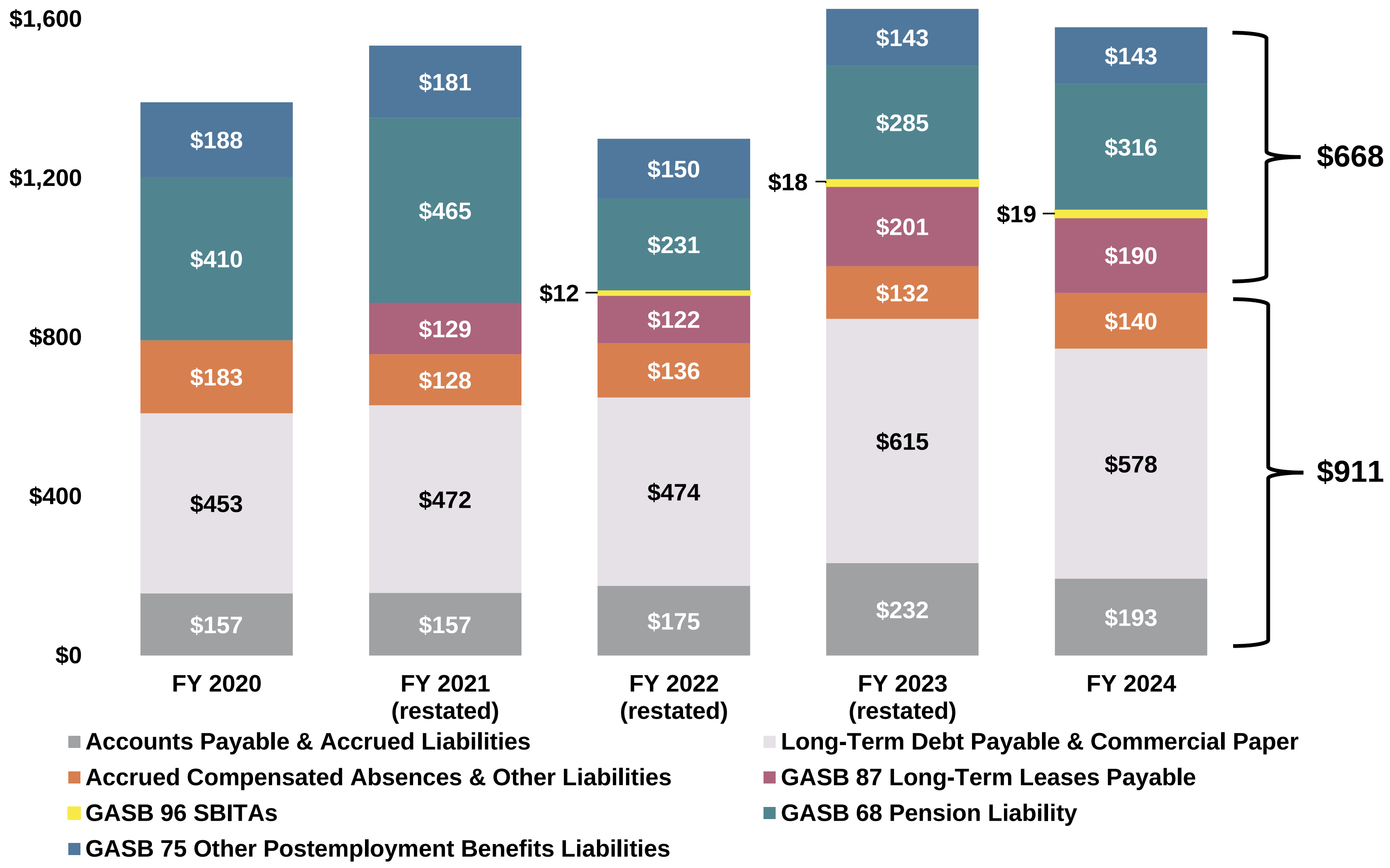
(all dollars in millions)

	2024	2023 *(restated)*	Change Amount	Change Percent
Current assets	$ 459.0	$ 410.9	$ 48.1	11.7%
Other assets	1165.8	1,121.0	44.8	4.0%
Capital assets, net*	2887.9	2,685.1	202.8	7.6%
Total assets	**4512.7**	**4,217.0**	**295.7**	**7.0%**
Deferred Outflow of Resources	118.5	94.3	24.2	25.7%
Current liabilities	376.0	405.4	(29.4)	(7.3)%
Noncurrent liabilities	1203.6	1,220.3	(16.7)	(1.4)%
Total liabilities	**1579.6**	**1,625.7**	**(46.1)**	**(2.8)%**
Deferred Inflow of Resources	79.6	130.6	(51.0)	(39.1)%
Invested in capital assets, net	2112.0	1,944.3	167.7	8.6%
Restricted - Nonexpendable	14.7	14.2	0.5	3.5%
Restricted - Expendable				
Scholarships, research, instruction and other	192.7	168.9	23.8	14.1%
Capital projects	134.9	42.4	92.5	218.2%
Debt service and auxiliary operations	101.5	97.1	4.4	4.5%
Unrestricted	**416.2**	**288.1**	**128.1**	**44.5%**
Total net position	$ 2972.0	$ 2,555.0	$ 417.0	16.3%

**Includes long-term leases and SBITAs.*

Composition of Current and Noncurrent Liabilities

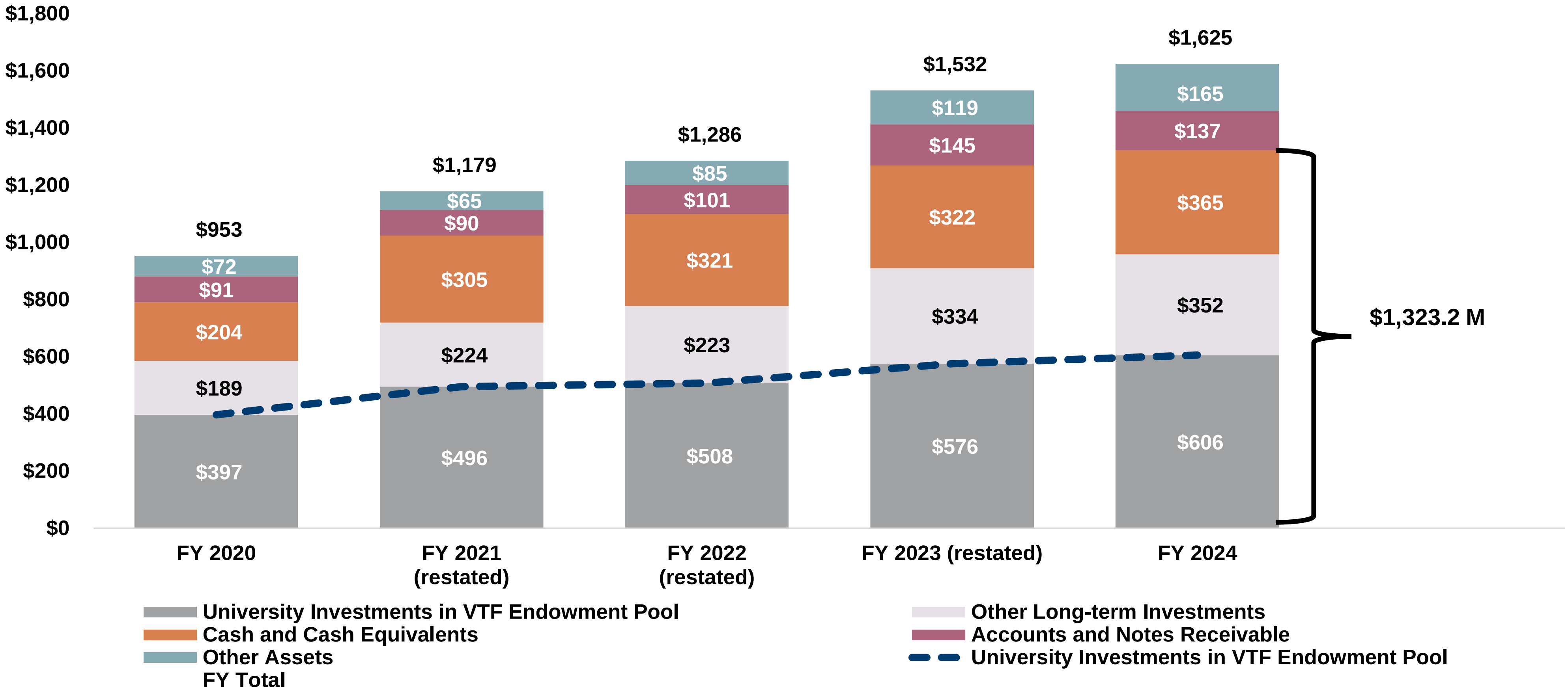
Showing the Impact of GASB 68, 75, 87, and 96 (Pension, OPEB, Leases, and SBITAs)
For the years ended June 30, 2020 – 2024
(all dollars in millions)



The university has recorded its proportionate share of the Pension and OPEB liability based on plan activity and balances as of prior year end as calculated by the state. The liability increased 7.2% in the fiscal year 2024 statements.

Growth in Current Assets Remains Healthy

Showing the Strategy to Move Cash and Cash Equivalents to Long-Term Investments at VTF
For the years ended June 30, 2020 - 2024
(all dollars in millions)

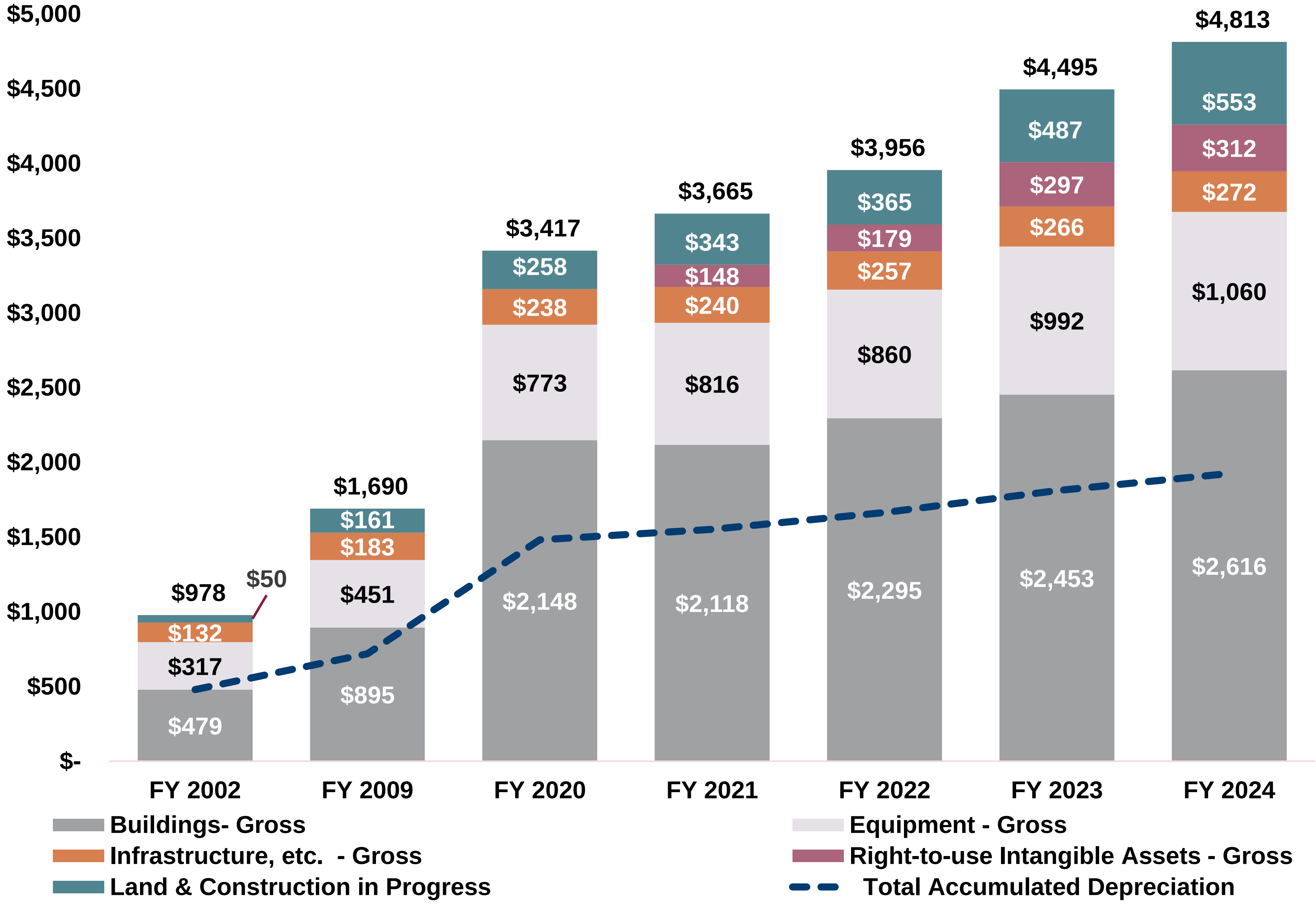


*** Includes capital assets related to GASB 87, *Leases* and GASB 96 *SBITAs*.**

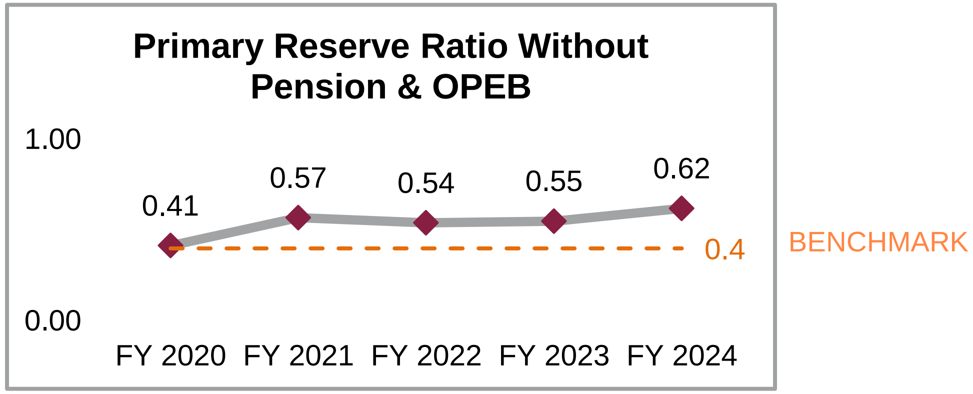
Ongoing Investment in Capital Assets

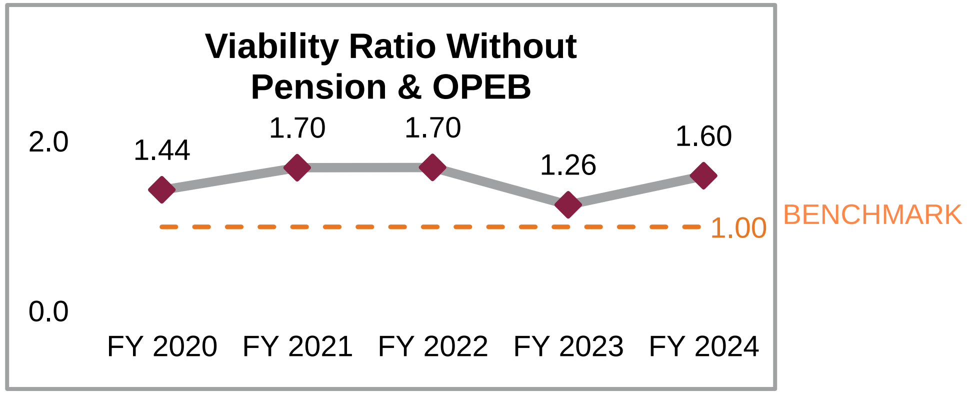
Growth in Capital Assets from FY 2002 to FY 2024

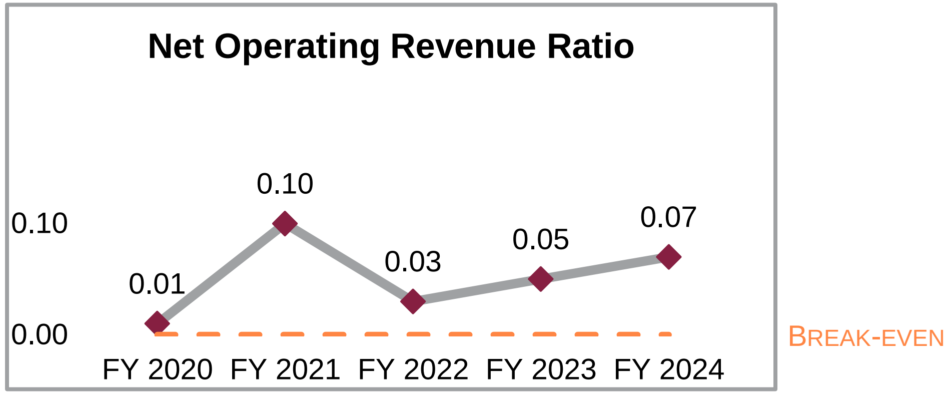
(all dollars in millions)

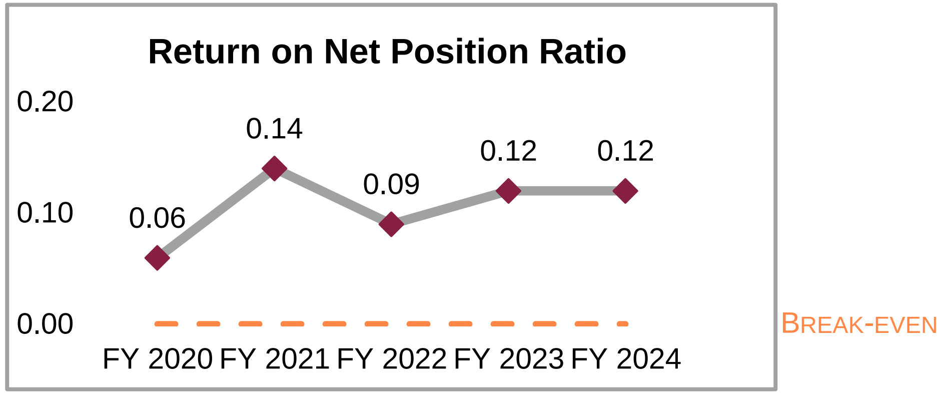


Measuring the Overall Level of Financial Health





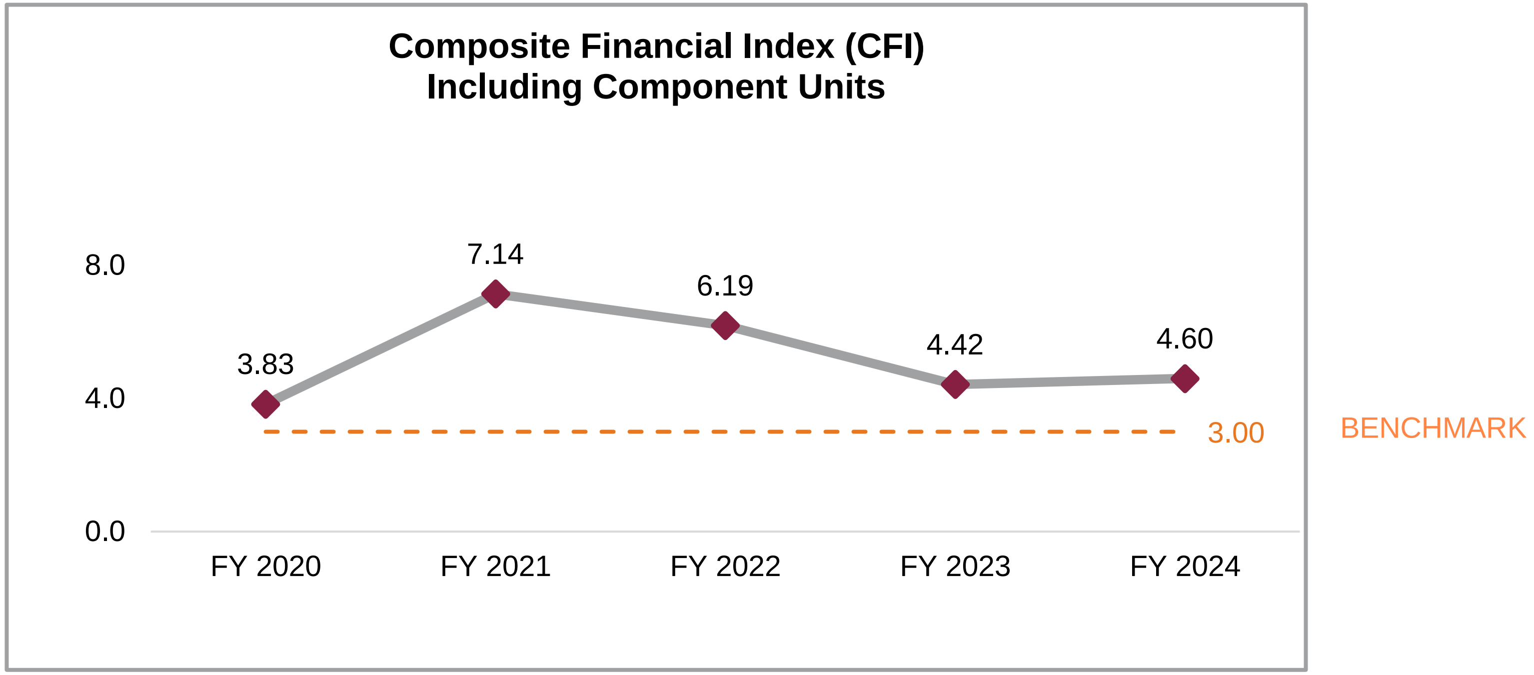




- The institution is in a solid financial position, with sufficient reserves, manageable debt, and positive revenue generation.
- The steady return on net position indicates sustainable growth, positioning the institution well for future investments and economic uncertainties.

Prager, Sealy & Co., LLC; KPMG LLP; and Attain LLC 2010, Strategic Financial Analysis for Higher Education: Identifying, Measuring & Reporting Financial Risks, Seventh Edition, 2010, https://www.attain.com/sites/default/files/take-aways-pdf/HEAMC_Strategic%20Financial%20Analysis%20Seventh%20Edition.pdf

Measuring the Overall Level of Financial Health

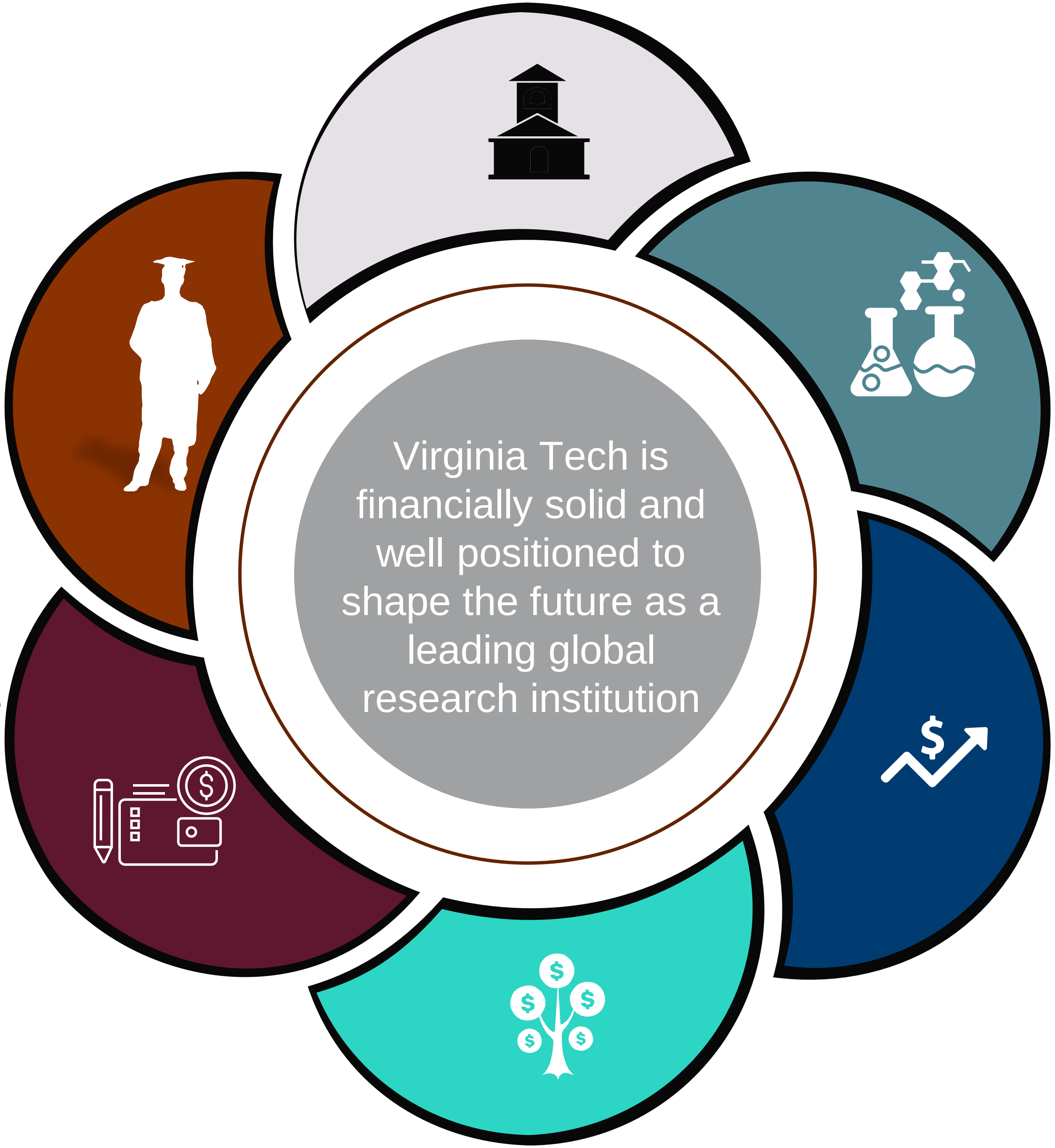


The Composite Financial Index score remains well above the benchmark, and increased slightly Year-on-Year.

Prager, Sealy & Co., LLC; KPMG LLP; and Attain LLC 2010, Strategic Financial Analysis for Higher Education: Identifying, Measuring & Reporting Financial Risks, Seventh Edition, 2010,
https://www.attain.com/sites/default/files/take-aways-pdf/HEAMC_Strategic%20Financial%20Analysis%20Seventh%20Edition.pdf

Conclusion

- Continued investment in facilities
- Strong student demand
- Moderate undergraduate tuition and fees



- Historic growth in Extramural Research
- Continued growth in Net Position
- Continued success of philanthropy

Discussion

Measuring the Overall Level of Financial Health

Ratio	Definition	FY24 Ratios
Primary Reserve	Snapshot of the financial strength and flexibility of an institution calculated by dividing expendable net assets by total expenses. The accepted benchmark for this ratio is 0.4.	.62
Viability	Availability of expendable net position to cover long-term debt (including leases and SBITAs) and indicates whether an institution can assume new debt calculated by dividing expendable net assets by long-term debt. The accepted benchmark for this ratio is 1.0 or greater.	1.60
Net Operating Revenue	Indicates whether an organization is living within its available resources calculated by dividing net income less capital revenues by noncapital revenues. Positive value suggests financial stability and potential for reinvestment.	.07
Return on Net Position	Answers whether the university is achieving a positive economic return on its investment of resources calculated by dividing change in net assets by total net assets. Positive value suggests financial growth.	.12

Consistent with the Auditor of Public Accounts report, the impacts of Pension and Other Post Employment Benefits have been excluded.

Prager, Sealy & Co., LLC; KPMG LLP; and Attain LLC 2010, Strategic Financial Analysis for Higher Education: Identifying, Measuring & Reporting Financial Risks, Seventh Edition, 2010,
https://www.attain.com/sites/default/files/take-aways-pdf/HEAMC_Strategic%20Financial%20Analysis%20Seventh%20Edition.pdf

Virginia Polytechnic Institute and State University

ANNUAL FINANCIAL REPORT

2023-2024

Contents

Cover photo by Christina Franusich/Virginia Tech

2024 Snapshot

Student Enrollment

30,504 Undergraduate

7,790 Graduate

Faculty and Staff

5,769 Faculty

3,386 Staff

Degrees Conferred

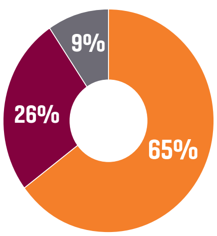
7,271 Undergraduate (first majors)

2,571 Graduate (and first professional)

Revenues

$2.4B

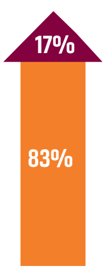
Operating Non-Operating Other



Endowment

$1.95B

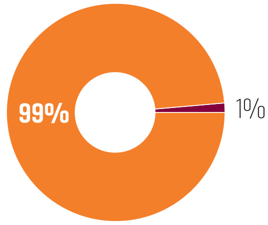
Contributions Appreciation



Expenses

$2.0B

Operating Non-Operating



Sponsored Program Awards

Number of Awards Granted

2,126

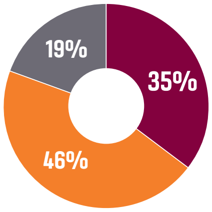
Value of Awards Received

$ 548.1 M

Student Financial Aid

$714.9M

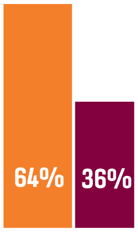
Loans Grants Employment



Assets

$4.5B

Capital Noncapital



University Highlights

For the years ended June 30, 2020 - 2024	2019-20	2020-21 [1]	2021-22	2022-23	2023-24
Student admissions					
Applications received, including transfers					
Undergraduate	34,769	33,538	44,936	48,211	50,220
Graduate	7,376	7,445	7,448	8,498	8,956
Offers, as a percentage of applications					
Undergraduate	69.2%	65.7%	55.8%	57.0%	57.2%
Graduate	48.4%	57.6%	59.5%	48.0%	53.7%
New enrollment, as a percentage of offers					
Undergraduate	36.4%	35.5%	30.5%	29.7%	28.9%
Graduate	48.2%	37.4%	45.0%	44.8%	41.9%
Total student enrollment (head count)					
Enrollment by classification					
Undergraduate	29,300	30,020	29,760	30,434	30,504
Graduate and first professional	7,083	7,004	7,519	7,736	7,790
Enrollment by campus					
Blacksburg campus	34,131	24,878	34,656	35,593	35,734
National Capital Region	980	752	871	715	810
Other off-campus locations	1,272	11,394	1,752	1,862	1,750
Enrollment by residence					
Virginia	23,762	24,479	23,619	23,722	23,426
Other states	8,589	8,998	9,966	10,564	10,857
Other countries	4,032	3,547	3,694	3,884	4,011
Degrees conferred					
Undergraduate (first majors)	6,832	7,393	7,290	8,076	7,271
Graduate and first professional	2,159	2,084	2,117	2,568	2,571
Faculty and staff					
Full-time instructional faculty	2,050	2,068	2,082	2,135	2,183
Other faculty and research associates	2,914	2,888	2,953	3,155	3,355
P14 faculty/part-time faculty	228	232	249	263	231
Support staff	3,471	3,380	3,257	3,276	3,386
Total faculty and support staff	8,663	8,568	8,541	8,829	9,155
Percent of instructional faculty tenured	51%	53%	51%	50%	50%

(1) 2020-21 admissions, enrollments, and course delivery options were affected as a result of the COVID-19 pandemic.

Financial Highlights

For the years ended June 30, 2020-2024 *(all dollars are in millions; square feet in thousands)*	2019-20	2020-21 *(restated)*	2021-22 *(restated)*	2022-23 *(restated)*	2023-24
Revenues, expenses, and changes in net position					
Operating revenues	$ 1,188.8	$ 1,162.3	$ 1,311.6	$ 1,443.3	$ 1,537.9
Operating expenses	1,549.8	1,509.5	1,637.2	1,810.4	1,953.9
Operating loss (1)	(361.0)	(347.2)	(325.6)	(367.1)	(416.0)
Non-operating revenues and expenses (1)	382.4	517.8	436.1	545.4	611.6
Other revenues, expenses, gains, or losses	101.1	130.3	199.7	212.9	221.4
Net increase in net position	$ 122.5	$ 300.9	$ 310.2	$ 391.2	$ 417.0
University net position					
Net investment in capital assets	$ 1,437.6	$ 1,521.3	$ 1,705.6	$ 1,994.3	$ 2,112.0
Restricted	$ 213.5	$ 251.7	$ 259.1	$ 322.6	$ 443.8
Unrestricted	$ (135.6)	$ 42.1	$ 160.6	$ 288.1	$ 416.2
Assets and facilities					
Total university assets	$ 2,889.4	$ 3,291.9	$ 3,578.1	$ 4,217.0	$ 4,512.7
Capital assets, net of accumulated depreciation	$ 1,936.1	$ 2,112.5	$ 2,292.4	$ 2,685.1	$ 2,887.9
Facilities—owned gross square feet	11,855	12,273	12,373	12,530	12,643
Facilities—leased square feet	2,273	2,134	2,146	2,407	2,425
Sponsored programs					
Number of awards received	2,391	2,328	2,097	2,311	2,126
Value of awards received	$ 367.7	$ 349.3	$ 390.3	$ 458.1	$ 548.1
Research expenditures reported to NSF (2)	$ 556.3	$ 542.0	$ 592.0	$ 598.1	N/A
Virginia Tech Foundation					
Gifts and bequests received	$ 163.5	$ 177.0	$ 203.3	$ 136.1	$ 178.3
Expended in support of the university	$ 180.7	$ 155.8	$ 242.2	$ 220.6	$ 246.9
Total assets and managed funds	$ 2,226.0	$ 2,687.6	$ 2,667.8	$ 2,838.3	$ 3,026.3
Endowments (at market value)					
Owned by Virginia Tech Foundation (VTF)	$ 932.4	$ 1,184.7	$ 1,167.3	$ 1,314.0	$ 1,333.9
Owned by Virginia Tech (held with VTF)	397.0	495.6	507.9	575.9	605.8
Managed by VTF under agency agreements	8.5	10.1	9.6	10.0	10.5
Total endowments supporting the university	$ 1,337.9	$ 1,690.4	$ 1,684.8	$ 1,899.9	$ 1,950.2
Student financial aid					
Number of students receiving selected types of financial aid					
Loans	13,267	13,140	12,894	13,195	13,070
Grants, scholarships, and waivers	20,548	20,606	20,179	23,478	22,690
Employment opportunities	12,430	9,747	11,693	12,390	12,789
Total amounts by major category					
Loans	$ 200.2	$ 202.4	$ 206.5	$ 226.5	$ 246.7
Grants, scholarships and waivers	243.5	251.0	265.9	289.0	329.9
Employment opportunities	94.7	94.4	101.6	122.9	138.3
Total financial aid	$ 538.4	$ 547.8	$ 574.0	$ 638.4	$ 714.9

(1) The university will always be expected to show an operating loss since significant recurring revenues are shown as non-operating. Major revenue sources reported as non-operating include state appropriations, gifts, and investment income. These revenue sources are used for general operations in support of the learning, discovery, and engagement missions of the university.

(2) Total research expenditures reported to the National Science Foundation for the current year were not available at publication date.

Message from the Executive Vice President and Chief Operating Officer

As an institution with bold ambitions, Virginia Tech is committed to providing an exceptional education to our students, leading through impactful research and scholarship, and being a strong partner to the communities we serve. The university's motto, *Ut Prosim* (That I May Serve), is not just a catch phrase; it is a mindset that serves as a lodestar for fulfilling our mission as a land grant institution. Each of these goals is ambitious; taken together, they require us to think differently about how we carry out and resource our work and advance in directions that align with our strategic priorities. Fiscal year 2024 saw the university emphasize two major strategic commitments that typify *Ut Prosim*. The Virginia Tech Advantage is a multiyear commitment to enhance students' educational experience by increasing scholarships for in-state students, providing additional support for unmet needs, helping with career preparation, and offering transformational learning experiences. The Virginia Tech Global Distinction underscores the university's commitment to elevating the international prominence of the institution and strengthening capacity to act as a force for positive change.

During FY24, we completed foundational work to identify and align existing resources in these domains and plan for new investments that will support implementation of these priorities. Virginia Tech's strong financial performance bolsters not only these exciting new initiatives but also strengthens the university's leveraging of technology to enhance the user experience, improve our business processes, and optimize our human talent. In all facets of our work, we remain committed to excellence in discovery, learning, and engagement.

Amy Sebring
Executive Vice President and Chief Operating Officer

In FY24, the university made significant gains in total revenues, net position, endowment market value, sponsored research program awards, and student scholarships. Specifically, the university's total (operating and non-operating) revenue increased 7.7 percent over the prior year to $2.37 billion, with total expenses growing 7.9 percent to $1.95 billion, resulting in an increase in net position of $417 million or 16.3 percent. The market value of total endowments supporting the university grew 2.6 percent, while total assets and managed funds of the Virginia Tech Foundation grew 6.6 percent. The value of total sponsored program awards grew 19.7 percent to $548 million. The total value of grants, scholarships, and waivers awarded to students increased 14.2 percent to $330 million, reflecting the university's commitment to the Virginia Tech Advantage and supporting students with financial need.

Virginia Tech continued to see growth in student demand as well, achieving a historic milestone with 47,128 first-year applications for fall 2023—an increase of 4% over the previous year. The university experienced notable growth in applications from first-generation students and across diverse demographic groups, with Early Decision applications rising by 17 percent.

Total enrollment for the 2023-24 academic year reached 38,294 students, including 30,504 undergraduates and 7,790 graduate and professional students, marking slight increases from the prior year. Retention rates also improved, particularly among first-time, underrepresented, and first-generation students. At the emerging Innovation Campus in Northern Virginia, enrollment climbed to 795 students pursuing advanced degrees in computer science and computer engineering. This growth is in direct support of the commonwealth's Tech Talent Investment Program, a critical initiative to address Virginia's tech talent gaps.

Clearly, the value of a Virginia Tech education is increasingly being recognized for the outstanding value of rich learning experiences that contribute to our students' long-term success. Although rankings have their limitations, they do provide some reflection on how others view us – and Virginia Tech is being noticed. Virginia Tech was ranked #20 among top public schools in the U.S. News & World Report's 2023-24 Best College rankings. The university also ranked #6 among all U.S. public schools in recent Wall Street Journal/College Pulse rankings that measure how much a school improves students' chances of graduating, their future earnings, and the overall student experience.

A marker of the Virginia Tech Global Distinction commitment, the university's research impact is soaring to new heights, driving innovation and shaping the future. The National Science Foundation's latest Higher Education Research and Development (HERD) survey, which charts the nation's institutions by FY23 research expenditures, reflected growth of university externally funded expenditures to $418.5 million. This achievement exceeded the university's 2025 goal of $415 million two years sooner than anticipated. Building on these results, Virginia Tech has launched an ambitious new goal of $600 million in externally funded expenditures by fiscal year 2029. The university also achieved higher rankings in key disciplines, placing #21 in computer and information sciences, #14 in mathematics and statistics, and #14 in engineering.

Virginia Tech's research performance helped propel the university into the top 10 percent of participating schools in the Times Higher Education 2024 Impact Rankings. These rankings assess over 2,000 universities around the globe against the United Nations' Sustainable Development Goals and are calibrated across the disciplines of research, stewardship, outreach, and teaching.

The Commonwealth of Virginia made critical investments in Virginia Tech to support higher education affordability, enhance employee compensation, and advance research programs in FY24. A total of $403.1 million in annual general fund appropriations was provided to the university from the commonwealth to support the operations of the academic division, cooperative extension and agricultural experiment station division, student financial aid assistance, research, and the Corps of Cadets programs in FY24 – an increase of $37.8 million over the prior year. Incremental state support in FY24 included $9.2 million in appropriations for affordable access and $9.2 million for student financial assistance. The appropriation also included the state share of a 5 percent compensation program for faculty, staff, and graduate assistants that took effect in July 2023 and an additional 2 percent program for December 2023.

Private philanthropy continues to be a significant driver in realizing the university's aspirations. The university received $226 million in new gifts and commitments in FY24. The three-year annual average of new gifts and commitments stands at $239 million, with a goal to grow this average to $300 million annually by the end of the decade. The university's Boundless Impact campaign total stands at $1.64 billion, nearing the $1.872 billion goal to be raised by June 30, 2027. The undergraduate alumni giving participation level exceeded 20 percent for the third straight year, making it a national leader in this category. Virginia Tech's Giving Day reflected high alumni participation raising more than $13 million from nearly 19,000 donors in all 50 states and 21 different countries. In October 2023, the university launched a $500 million fundraising effort to support the Virginia Tech Advantage – with a goal of $450 million in support of undergraduate scholarships for in-state Pell- and state grant-eligible students and another $50 million supporting student success initiatives such as career preparation, transformational learning experiences, and more. The launch was augmented by a $10 million gift to create the Preston and Catharine White Endowed Diversity Scholarship – which will provide scholarships to students from underrepresented and first-generation backgrounds each academic year.

The value of the Virginia Tech Foundation's endowed assets totaled $1.95 billion as of June 30, 2024, an increase from the FY23 total of $1.90 billion. The continued strength in philanthropy, coupled with solid endowment performance offers flexibility to invest in university priorities and expand financial aid resources for students.

The university continued to expand opportunities for learning, research, and discovery in new ways, while also partnering with the commonwealth and private industry on several economic, workforce, and education initiatives. The university's strategic focus and investments into the health sciences research and national security frontiers are illustrated by:

- Announced in FY24, the Red Gates Foundation committed to a $50 million gift to the Fralin Biomedical Research Institute (FBRI) to support research in cancer and brain disorders.
- With funding from the state, planning is underway to design a new 125,000 gross square foot (gsf) building for the Virginia Tech-Carilion School of Medicine and renovate 51,000 gsf of the existing School of Medicine and Research Institute building to be backfilled by FBRI.
- FBRI continued to expand its partnership with the Children's National Research Innovation Campus in Washington, D.C., with a strategic goal of enhancing research activity around pediatric cancer, neuroscience, neurobiology, and more.
- FBRI received $1 million from the commonwealth in FY24 to research the efficacy of making electroencephalogram combined transcranial magnetic stimulation available for veterans, first responders, and law-enforcement officers.
- Virginia Tech also received a designation as a Focused Ultrasound Center of Excellence from the Focused Ultrasound Foundation, a marker of the transdisciplinary program's potential to impact human and animal lives in areas of critical unmet need such as neurological disorders and hard-to-treat cancers.
- The Virginia Tech National Security Institute recently received $17 million in funding to collaborate with the U.S. Navy and industry to test autonomous undersea robotics – a marker of the institute's continued growth and impact since its establishment in 2021.
- The Commonwealth Cyber Initiative, comprised of 46 Virginia higher education institutions, reported $110 million in new research grants and contracts for FY24, furthering its vision of making Virginia a global cybersecurity leader. This includes a $42 million grant from the U.S. Department of Commerce related to wireless mobile networks, featuring the CCI xG Testbed at Virginia Tech – a cutting-edge facility that is helping train future cybersecurity experts and offers industry partners an unparalleled opportunity to test hardware and software before moving to the marketplace. As one of only 17 of its kind in the world, the Testbed positions Virginia Tech at the forefront of innovative research and industry collaborations in cyber technology.

Supporting the institution's mission and long-term vision, Virginia Tech's portfolio of active capital projects had a combined adjusted budget of $1.27 billion for FY24, with nearly $295 million of annual expenditures and $760 million of cumulative expenditures across 23 projects. FY24 saw the substantial completion of Hitt Hall, a new 101,000 gsf building that houses an expansion of the Myers-Lawson School of Construction, a new dining center, and other academic spaces. The university's new Transit Center began operations in Summer 2024, and additional projects anticipated to come online during the 2024-25 academic year include a new 102,700 gsf science instruction laboratory building, comprehensive renovations to War Memorial Hall, and the opening of the new 11-story, 300,000 gsf Academic Building One in Alexandria, Virginia in spring 2025.

During the 2024 General Assembly Session, Virginia Tech was able to secure additional state funded maintenance reserve authorization at $43.4 million for the upcoming 2024-26 Biennium, which provides funding to help maintain aging campus buildings. The university also secured construction authorization and funding for two additional projects to improve research facilities in Center Woods and campus accessibility as well as planning funds for the Derring Hall Building Envelope Repairs project and improvements to the Eastern Shore Agricultural and Extension Research Center (AREC).

Supporting these transformational capital projects and strategic initiatives requires consideration and management of the university's debt. For FY24, the university reported a debt ratio of 4.82 percent, with a long-term debt liability of $781 million. The university maintained its credit ratings of Aa1 from Moody's Investors Service Inc., and AA from S&P Global Ratings (note: in December 2024 S&P Global upgraded the university's rating to AA+). Our proactive capital outlay and debt allocation planning processes ensure the university meets its debt-related performance requirements while preserving capacity for future priority projects.

This year has been pivotal to solidifying Virginia Tech's foundation to deliver on its land grant imperative of serving the commonwealth and for bringing talent not only from within the commonwealth but across the globe to solve the most pressing issues of our time.

Management's Responsibility for Financial Reporting and Internal Controls

VIRGINIA TECH

The information in this Annual Financial Report, including the accompanying basic financial statements, notes, management's discussion and analysis, and other information is the responsibility of Virginia Tech executive management. Responsibility for the accuracy of the financial information and fairness of its presentation, including all disclosures, rests with the management of the university. Management believes the information is accurate in all material respects and fairly presents the university's revenues, expenses, and changes in net position as well as its overall financial condition. This report was prepared in accordance with generally accepted accounting principles for public colleges and universities in the United States of America as prescribed by the Governmental Accounting Standards Board. Management is responsible for the objectivity and integrity of all representations herein. The Annual Financial Report includes all disclosures necessary for the reader of this report to gain a broad understanding of the university's operations for the year ended June 30, 2024.

The administration is responsible for establishing and maintaining the university's system of internal controls. Key elements of the university's system of internal controls include: careful selection and training of administrative personnel; organizational structure that provides appropriate division of duties; thorough and continuous monitoring, control, and reporting of operating budgets versus actual operating results; well communicated written policies and procedures; annual self-assessments led by the Office of the University Controller; a growing management services segment; and an extensive internal audit function. Although there are inherent limitations to the effectiveness of any system of accounting controls, management believes that the university's system provides reasonable, but not absolute, assurances that assets are safeguarded from unauthorized use or disposition, and accounting records are sufficiently reliable to permit preparation of financial statements and appropriate accountability for assets and liabilities.

The Virginia Tech Board of Visitors has created two committees which review and monitor the university's financial reporting and accounting practices. The Finance and Resource Management Committee meets with university financial officers and external independent auditors annually to review the Annual Financial Report, results of audit examinations, and quality of financial reporting. The Compliance, Audit, and Risk Committee periodically meets with internal auditors and university financial officers. These meetings include a review of the scope, quality, and results of the internal audit program, as well as a review of issues related to internal controls.

The Auditor of Public Accounts (APA), the office of the Commonwealth of Virginia's auditors, has examined these annual financial statements and the report thereon appears on the facing page. The APA examination includes a study and evaluation of the university's system of internal controls, financial systems, policies, and procedures, resulting in the issuance of a management letter describing various issues considered worthy of management's attention. The university has implemented policies and procedures for the adequate and timely resolution of such issues. No material weaknesses were found on internal control matters by the APA for the fiscal year ended June 30, 2024.

Simon P. Allen
Vice President for Finance and Chief Financial Officer

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
An equal opportunity, affirmative action institution

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 18, 2024

The Honorable Glenn Youngkin, Governor of Virginia
Joint Legislative Audit and Review Commission
Board of Visitors, Virginia Polytechnic Institute and State University
Timothy D. Sands, President, Virginia Polytechnic Institute and State University

INDEPENDENT AUDITOR'S REPORT

Report on Financial Statements

Opinions

We have audited the financial statements of the business-type activities and discretely presented component unit of **Virginia Polytechnic Institute and State University** (Virginia Tech), a component unit of the Commonwealth of Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Virginia Tech's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of another auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component unit of Virginia Tech as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit of Virginia Tech, which is discussed in Notes 1 and 27. Those statements were audited by another auditor whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the component unit of Virginia Tech, are based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Virginia Tech and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the component unit of Virginia Tech that were audited by another auditor, upon whose report we are relying, were not audited in accordance with Government Auditing Standards.

Emphasis of Matters

Change in Accounting Principle

As discussed in Note 1 of the accompanying financial statements, Virginia Tech implemented Governmental Accounting Standards Board (GASB) Implementation Guide 2021-1 Question 5.1, related to capitalizing groups of assets. Our opinions are not modified with respect to this matter.

Correction of 2023 Financial Statements

As discussed in Note 1 of the accompanying financial statements, the fiscal year 2023 financial statements have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

Other Matters

Report on Summarized Comparative Information

We have previously audited Virginia Tech's 2023 financial statements, and we expressed unmodified audit opinions on the respective financial statements in our report dated November 3, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived, except where revised due to error corrections and the implementation of GASB Implementation Guide 2021-1 Question 5.1, as discussed in Note 1.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Tech's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Virginia Tech's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Virginia Tech's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements: Management's Discussion and Analysis on pages 11 through 19; the Schedule of Virginia Tech's Share of Net Pension Liability, the Schedule of Virginia Tech's Pension Contributions, and the Notes to the Required Supplementary Information for Pension Plans on pages 65 through 66; the Schedule of Virginia Tech's Share of OPEB Liability (Asset), the Schedule of Virginia Tech's Share of OPEB Contributions, and the Notes to the Required Supplementary Information for the Pre-Medicare Retiree Healthcare, Health Insurance Credit, Group Life Insurance, Disability Insurance and Line of Duty programs, as applicable, on pages 67 through 69. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Virginia Tech's basic financial statements. The supplementary information, such as the Virginia Tech Foundation, Inc. information, Affiliated Corporations Financial Highlights, and Consolidating Schedules, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information as been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, including the Virginia Tech Foundation, Inc. information and Affiliated Corporations Financial Highlights, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 2024 Snapshot, University Highlights, Financial Highlights, and Message from the Executive Vice President and Chief Operating Officer but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 2024, on our consideration of Virginia Tech's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Virginia Tech's internal control over financial reporting and compliance.

Staci A. Henshaw

AUDITOR OF PUBLIC ACCOUNTS

MBR/vks

Photo by Luke Hayes/Virginia Tech

Management's Discussion and Analysis
(Unaudited)

Virginia Polytechnic Institute and State University, popularly known as Virginia Tech, is a comprehensive land-grant university located in Blacksburg, Virginia. The university offers approximately 280 graduate, undergraduate, and professional degree programs through its nine academic colleges: Agriculture and Life Sciences; Architecture, Arts, and Design; Engineering; Liberal Arts and Human Sciences; Natural Resources and Environment; Pamplin College of Business; Science; Virginia-Maryland College of Veterinary Medicine; and Virginia Tech Carilion School of Medicine.

Virginia Tech has evolved into a position of increasing national prominence since its founding in 1872, consistently ranking among the nation's top universities for undergraduate and graduate programs.

The university is an agency of the Commonwealth of Virginia and therefore included as a component unit in the Commonwealth of Virginia's *Annual Comprehensive Financial Report.* The 14 members of the Virginia Tech Board of Visitors govern university operations. Members of the board are appointed by the Governor of Virginia.

Overview

This unaudited *Management's Discussion and Analysis* (MD&A) is required supplemental information under the Governmental Accounting Standards Board's (GASB) reporting model. It is designed to assist readers in understanding the accompanying financial statements and provide an overall view of the university's financial activities based on currently known facts, decisions, and conditions. This discussion includes an analysis of the university's financial condition and results of operations for the fiscal year ended June 30, 2024. Comparative numbers are included for the fiscal year ended June 30, 2023, and have been restated according to guidance in *Implementation Guide 2021-1 Question 5.1,* which became effective for reporting periods beginning after June 15, 2023, and for errors related to leases and subscription-based information technology arrangements (SBITAs) in accordance with GASB Statement 100, *Accounting Changes and Error Corrections.*

Photo by Luke Hayes/Virginia Tech

Since this presentation includes highly summarized data, it should be read in conjunction with the accompanying basic financial statements, including notes and other supplementary information. The university's management is responsible for all of the financial information presented, including this discussion and analysis.

The university's financial statements have been prepared in accordance with GASB Statement 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, as amended by GASB Statements 37, 38, and 63. The three required financial statements are the *Statement of Net Position* (balance sheet), the *Statement of Revenues, Expenses, and Changes in Net Position* (operating statement), and the *Statement of Cash Flows.* These statements are summarized and analyzed in the following sections.

In accordance with Section 2100 of the GASB codification, the university's nine affiliated corporations were evaluated on the nature and significance of their relationship to the university. The Virginia Tech Foundation Inc. (VTF or the foundation) was determined to be a component unit and is presented in a separate column on the university's financial statements. VTF serves the university by generating significant funding from private sources and aggressively managing its assets to provide supplemental funding to the university. The foundation is not part of this MD&A, but details regarding its financial activities can be found in Note 27 of the *Notes to Financial Statements.* Transactions between the university and this component unit have not been eliminated in this year's financial statements.

The following GASB statements of standards became effective and were implemented in fiscal year 2024: Statement 99, *Omnibus 2022*, paragraphs 4 to 10; Statement 100, *Accounting Changes and Error Correction*s - an amendment of GASB 62; and the *Implementation Guide 2021-1*, *Question 5.1*. The university was not affected by the implementation of Statement 99.

In June 2022, GASB issued Statement 100 *Accounting Changes and Error Corrections.* This statement requires comprehensive disclosures regarding accounting changes and error corrections to include the following: nature and reason for accounting change or error correction; quantitative impact on the financial statements; for errors, a description of the error and how it was discovered and corrective actions taken; cumulative effect on opening balance of net position in a tabular format. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The university adopted GASB Statement 100 in fiscal year 2024 with an implementation date of July 1, 2023, identifying material error corrections related to leases and SBITAs. The university restated beginning balances for error corrections identified related to long-term leases and subscription-based information technology arrangements. The net lease asset decreased by $4.2 million and the associated liability decreased by $4.5 million as a result of the corrections. This change was primarily caused by a reduction of liability owed to the foundation based on corrected debt recovery schedules on the North End Center building and garage. The net subscription asset increased $0.2 million and the associated liability decreased by $0.1 million due to various corrections related to prior period subscriptions.

The university adopted the interpretation of *Implementation Guide 2021-1, Question 5.1* which indicated that the institution should capitalize assets whose individual acquisition costs are less than the institution's capitalization threshold for an individual asset if those assets in the aggregate are significant. These changes were applied retroactively and the prior year was restated. This restatement resulted in the recognition of pooled equipment assets (net) of $52.5 million for fiscal year 2023.

Statement of Net Position

The *Statement of Net Position* (SNP) presents the university's assets, liabilities, and net position as of the end of the fiscal year. The purpose of this statement is to present a snapshot of the university's financial position to readers of the financial statements.

The data presented aids readers in determining the assets available to continue operations of the university. It also allows readers to see what the university owes to vendors, investors, and lending institutions. Finally, the SNP provides a picture of the university's net position and the restrictions for expenditure of the components of net position. Sustained increases in net position over time are one indicator of the financial health of the organization.

The university's net position is classified as follows:

Net investment in capital assets – Net investment in capital assets represents the university's total investment in capital assets, net of accumulated depreciation, amortization, and outstanding debt obligations related to those capital assets. Debt incurred, but not yet expended for capital assets, is not included as a component of net investment in capital assets.

Restricted component of net position, nonexpendable – The nonexpendable category of the restricted component of net position consists of endowment and similar type funds where donors or other outside sources have stipulated, as a condition of the gift instrument, the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income to be expended or added to principal. The university's nonexpendable endowments of $14.7 million are included in its column on the SNP.

Restricted component of net position, expendable – The expendable category of the restricted component of net position includes resources the university is legally or contractually obligated to expend, with restrictions imposed by external third parties. This category partially consists of quasi-endowments totaling $58.3 million. The investment of quasi-endowments is managed by VTF.

Unrestricted component of net position – The unrestricted component of net position represents resources used for transactions relating to academic departments and general operations of the university and may be used at the discretion of the university's board of visitors to meet current expenses for any lawful purpose in support of the university's primary missions of instruction, research, and outreach. These resources are derived from student tuition and fees, state appropriations, recoveries of facilities and administrative (indirect) costs, and sales and services of auxiliary enterprises and educational departments. The auxiliary enterprises are self-supporting entities that provide services for students, faculty, and staff. Examples of the university's auxiliaries are intercollegiate athletics and student residential and dining programs.

Total university assets increased by $295.7 million or 7.0% during the fiscal year 2024, bringing the total to $4,512.7 million at year-end. Current assets increased by $48.1 million. The growth is largely the result of increases in cash and cash equivalents of $57.7 million and prepaid expenses of $2.5 million. These upturns were offset by declines in accounts and contributions receivable of $10.7 million, predominately in the grant and contracts area, and a decrease of $1.4 million in inventories. Noncurrent assets grew by $247.6 million. Depreciable capital assets, net, increased by $136.1 million reflecting the capitalization of completed university research, instructional, and auxiliary facilities discussed in detail in the following section, Capital Asset and Debt Administration. Long-term investments rose $48.0 million while nondepreciable capital assets rose by $66.7 million due to several capital projects currently underway on the university campus and in northern Virginia. There was also an increase of $44.7 million in the Due from the Commonwealth of Virginia line item attributable to additional capital activity being funded by capital appropriations and VCBA 21st century bonds, as well as small increases of $2.7 million in accounts and notes receivable and $0.7 million of other assets. These increases were offset by a decline in noncurrent cash and cash equivalents and short-term investments of $51.3 million which was largely a result of spending down the bond proceeds for capital projects.

Total university liabilities declined by $46.1 million or 2.8% during fiscal year 2024. The current liabilities category decreased by $29.4 million. The decrease in current liabilities was largely due to a decrease of $38.7 million in accounts payable and accrued liabilities, mostly attributable to capital projects payables to contractors. This decrease was offset by a rise of $5.4 million in funds held in custody for others. Noncurrent liabilities fell by $16.7 million. The largest decreases in this area were for long-term debt of $40.2 million, due to normal debt payments, and a long-term lease payable decrease of $12.3 million. These declines were offset by increases in the following areas: the actuarially determined pension liability of $31.2 million; accrued compensated absences of $2.7 million; other postemployment benefits liabilities of $0.9 million; and other liabilities of $1.0 million.

The increase in total assets along with the increase in total liabilities is reflected in the year-over-year growth of the university's net position of $417.0 million (16.3%). Net position in the category of net investment in capital assets increased by $167.7 million, reflecting continued investment in new facilities and equipment supporting the university's mission. Unrestricted net position rose by $128.1 million (44.5%) due to the prudent management of fiscal resources as well as the net change of $46.6 million in VRS Pension and OPEB liabilities, and deferred inflows and outflows.

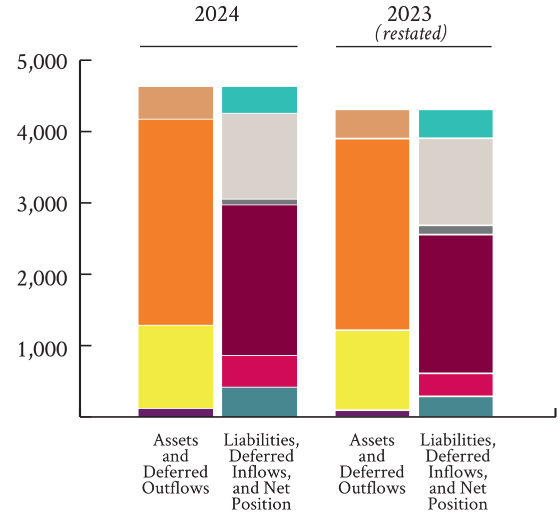
Photo by Jenni Schoner/Virginia Tech

Summary of Assets, Liabilities, and Net Position

Assets, Liabilities and Net Position
For the years ended June 30, 2024 and 2023
(all dollars in millions)

	2024	2023 *(restated)*	Change Amount	Change Percent
Current assets	$ 459.0	$ 410.9	$ 48.1	11.7 %
Capital assets, net*	2,887.9	2,685.1	202.8	7.6 %
Other assets	1,165.8	1,121.0	44.8	4.0 %
Total assets	4,512.7	4,217.0	295.7	7.0 %
Deferred outflow of resources	118.5	94.3	24.2	25.7 %
Current liabilities	376.0	405.4	(29.4)	(7.3)%
Noncurrent liabilities	1,203.6	1,220.3	(16.7)	(1.4)%
Total liabilities	1,579.6	1,625.7	(46.1)	(2.8)%
Deferred inflow of resources	79.6	130.6	(51.0)	(39.1)%
Net investment in capital assets	2,112.0	1,944.3	167.7	8.6 %
Restricted	443.8	322.6	121.2	37.6 %
Unrestricted	416.2	288.1	128.1	44.5 %
Total net position	$ 2,972.0	$ 2,555.0	$ 417.0	16.3%

*Includes long-term leases and SBITAs.



Capital Asset and Debt Administration

One of the critical factors in ensuring the quality of the university's academic, research, and residential life functions is the development and renewal of its capital assets. The university continues to maintain and upgrade current structures, as well as pursue opportunities for additional facilities. Investment in new structures and the upgrade of current structures serve to enrich high-quality instructional programs, residential lifestyles, and research activities.

Note 7 of the *Notes to Financial Statements* describes the university's significant investment in depreciable capital assets, with gross additions of $328.0 million during fiscal year 2024. Major projects included the completion of Hitt Hall ($69.7 million), the Corps Leadership and Military Science building ($47.6 million), the Upper Quad Hall North residence hall ($39.1 million), and Slusher Hall renovations ($6.6 million). Ongoing investments in instructional, research, and computer equipment, as well as pooled assets, totaled $98.9 million. Depreciation and amortization expense related to capital assets was $175.0 million with net retirement of depreciable assets of $16.9 million. The net increase in depreciable capital assets for this period was $136.1 million. The net increase in nondepreciable capital assets ($66.7 million) was primarily due to more construction-in-progress expenses during the current year for major building projects to be completed after fiscal year 2024. The major projects remaining in the construction-in-progress category include construction of the new Innovation Campus in Alexandria ($252.2 million), construction of a new undergraduate lab building ($75.1 million), renovation of War Memorial Hall ($61.9 million), and other ongoing capital improvements and renovations throughout the university ($101.4 million). In addition, $18.3 million was withheld as retainage payable on major projects under construction. This retainage amount will be moved to the building asset

Photo by Jenni Schoner/Virginia Tech

Photo by Katie Mallory/Virginia Tech

Summary of Capital Project Funding

Funding for Authorized Current and Future Capital Projects
As of June 30, 2024
(all dollars in millions)

	State Funds [1]	Other Funds [2]	University Debt Issued Before June 30, 2024 [3]	University Debt To Be Issued After June 30, 2024 [4]	Total Funding	Cash Basis Project-To-Date Expenses
Current education and general	$ 665.9	$ 104.9	$ 36.0	$ 59.1	$ 865.9	$ 427.4
Current auxiliary enterprise	-	45.7	44.4	-	90.1	73.7
Total current	665.9	150.6	80.4	59.1	956.0	501.1
Future education and general	0.6	17.3	-	-	17.9	1.2
Future auxiliary enterprise	-	19.5	-	-	19.5	0.3
Total future	0.6	36.8	-	-	37.4	1.5
Total authorized	$ 666.5	$ 187.4	$ 80.4	$ 59.1	$ 993.4	$ 502.6

(1) Includes the general fund, capital appropriations, and the general obligation bonds of the Commonwealth of Virginia.
(2) Includes private gifts, auxiliary surpluses, student fees, and other customer revenues.
(3) Includes bonds and notes payable issued in the current or prior years which will be repaid by the university.
(4) Includes bonds and notes payable the university plans to issue in future years which will be repaid by the university.

category once final payments are made to the construction contractors. Proceeds from the sale of commercial paper were used to provide temporary funding for some projects under construction. The majority of the temporary financing will be replaced with the issuance of long-term bonds and notes.

Total liabilities related to debt, long-term leases, and SBITAs experienced a net decrease of $46.3 million during fiscal year 2024. This decrease was due to retirements and terminations ($64.6 million) and the net effect of debt refunding during the current year ($0.4 million). This decrease was offset by the addition of long-term leases payable ($8.8 million) and SBITAs payable ($9.4 million). See Notes 12, 13, 14, 15, and 16 of the *Notes to Financial Statements* for more details.

The educational and general (E&G) portion of the university's capital outlay program includes eight projects currently under construction. These projects include construction of an academic building for the Innovation Campus in Alexandria ($302.1 million), construction of Mitchell Hall to replace Randolph Hall ($292.3 million), a new undergraduate science lab building ($90.4 million), and building envelope improvements ($47.2 million). Future capital projects include the planning phase of a new building for the Pamplin College of Business ($8.0 million). The Commonwealth of Virginia will provide partial funding for several of these E&G projects. In addition to funding received from the commonwealth, the projects may also be funded from a combination of private gifts, student fees, other customer revenues, and debt financing.

The auxiliary enterprises portion of the university's capital outlay program represents two projects currently under construction. These projects include improvements to facilities providing student wellness services ($70.0 million) and football locker room renovations ($5.9 million). Future capital projects include planning for a student life village ($19.5 million). Since auxiliaries are required to be self-supporting, no state general funds or capital appropriations are provided for these projects. These projects will be funded by a combination of private gifts, student fees, other customer revenues, and debt financing.

Virginia Tech had a total authorization of $993.4 million in capital building projects as of June 30, 2024, requiring approximately $59.1 million in additional debt financing. Capital projects in progress carried commitments to construction contractors, architects, and engineers totaling $112.9 million at June 30, 2024. These obligations are for future effort and as such have not been accrued as expenses or liabilities on the university's financial statements. The majority of the financial commitment is attributed to the construction of Mitchell Hall to replace Randolph Hall ($56.3 million), construction of the Innovation Campus in Alexandria ($32.3 million), construction of a new undergraduate science laboratory building ($6.1 million), construction of livestock and poultry research facilities ($4.8 million), and planning for a new Pamplin College of Business building ($4.8 million). These commitments represent only a portion of the university's capital projects currently under construction or authorized by the commonwealth.

The university's bond and commercial paper ratings shown in the table below reflect strong student demand, balanced operating performance, and adequate reserves to address unforeseen expenses.

	Bonds	Commercial Paper
Moody's Investor Service Inc.	Aa1	P-1
S&P Global Ratings	AA	A-1+

Photo by Luke Hayes/Virginia Tech

Statement of Revenues, Expenses, and Changes in Net Position

Operating and non-operating activities creating changes in the university's total net position are presented in the *Statement of Revenues, Expenses, and Changes in Net Position*, found on page 21. The purpose of the statement is to present all revenues received and accrued, all expenses paid and accrued, and gains or losses from investments and capital assets.

Operating revenues are generally received through providing goods and services to the various customers and constituencies of the university. Operating expenses are expenditures made to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the missions of the university. Salaries and fringe benefits for faculty and staff are the largest type of operating expense. Non-operating revenues are revenues received for which goods and services are not directly provided. Included in this category are state appropriations and gifts which supplement the payment of operating expenses of the university and support student scholarships. Therefore, the university, like most public institutions, expects to show an operating loss.

Summary of Revenues, Expenses, and Changes in Net Position

Revenues, Expenses, and Changes in Net Position
For the years ending June 30, 2024 and 2023
(all dollars in millions)

	2024	2023 *(restated)*	Change Amount	Change Percent
Operating revenues	$ 1,537.9	$ 1,443.3	$ 94.6	6.6 %
Operating expenses	1,953.9	1,810.4	143.5	7.9 %
Operating loss	(416.0)	(367.1)	(48.9)	(13.3)%
Non-operating revenues and expenses	611.6	545.4	66.2	12.1 %
Income before other revenues, expenses, gains or losses	195.6	178.3	17.3	9.7 %
Other revenues, expenses, gains or losses	221.4	212.9	8.5	4.0 %
Increase in net position	417.0	391.2	25.8	6.6 %
Net position - beginning of year, as restated	2,555.0	2,163.8	391.2	18.1 %
Net position - end of year	$ 2,972.0	$ 2,555.0	$ 417.0	16.3 %

Operating Revenues

Total operating revenues increased by $94.6 million or 6.6% from the prior fiscal year. The growth in operating revenues came mainly from three areas. Total sponsored grants and contracts, including federal appropriations, grew by $42.6 million. Grants and contracts awarded by federal sponsors increased by $27.9 million, state grants and contracts increased by $6.4 million, nongovernmental grants and contracts grew by $3.6 million and local grants and contracts rose by $2.5 million while federal appropriations increased by $2.3 million. Student tuition and fees rose by $39.4 million reflecting small increases in tuition and fee rates as well as a continuing demand for a Virginia Tech education. Revenues from auxiliaries, such as athletics and dorm and dining programs, rose $16.9 million. Finally, other operating revenues declined by $4.3 million. Overall, the university's operating revenues climbed from $1,443.3 million in fiscal year 2023 to $1,537.9 million in fiscal year 2024.

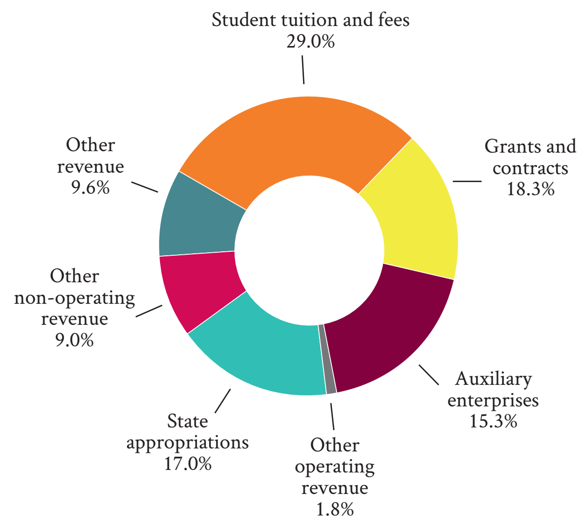
Summary of Revenues

Increase (Decrease) in Revenue
For the years ended June 30, 2024 and 2023
(all dollars in millions)

	2024	2023 *(restated)*	Change Amount	Change Percent
Operating revenue				
Student tuition and fees, net	$ 686.4	$ 647.0	$ 39.4	6.1 %
Grants and contracts (1)	448.9	406.3	42.6	10.5 %
Auxiliary enterprises	360.3	343.4	16.9	4.9 %
Other operating revenue	42.3	46.6	(4.3)	(9.2)%
Total operating revenue	1,537.9	1,443.3	94.6	6.6%
Non-operating revenue				
State appropriations	403.1	365.3	37.8	10.3 %
Other non-operating revenue (2)	208.5	180.1	28.4	15.8 %
Total non-operating revenue	611.6	545.4	66.2	12.1 %
Other revenue				
Capital appropriations	115.5	43.5	72.0	165.5 %
Capital grants and gifts	105.6	169.2	(63.6)	(37.6)%
Gain on disposal of capital assets	0.3	0.2	0.1	50.0 %
Total other revenue	221.4	212.9	8.5	4.0 %
Total revenue	$ 2,370.9	$ 2,201.6	$ 169.3	7.7 %

(1) Includes federal appropriations
(2) Includes gifts, investment income, interest expense on debt related to capital assets, federal Pell grants, and other non-operating revenue.

Total Revenue by Source
For the year ended June 30, 2024



Non-operating and Other Revenues and Expenses

Non-operating revenues and expenses totaled $611.6 million, an increase of $66.2 million from the previous year's total. Revenue increase in this category resulted primarily from growth in state appropriations of $37.8 million, an increase of $28.5 million in investment income as interest rates remained elevated, as well as a rise in gift revenue transferred from the Virginia Tech Foundation of $14.4 million. Also, federal financial aid grew by $2.0 million. These increases were partially offset by a decrease in Coronavirus relief funding of $7.4 million as those programs came to an end, as well as a decline in other non-operating revenues of $6.0 million largely due to a decrease in the special contributions from the commonwealth for the VRS pension and OPEB programs. Additionally, interest expense increased by $3.1 million.

Total other revenues, expenses, gains, and losses grew by $8.5 million compared to the prior year. The university received an increase in capital appropriation funding of $72.0 million for its maintenance reserve program and other capital projects. Capital grants and gifts declined $63.6 million due to a decrease in capital projects being funded by private gifts. Additionally, there was an increase of $0.1 million in the gain on disposal of capital assets.

Revenues from all sources (operating, non-operating, and other) for fiscal year 2024 totaled $2,370.9 million, increasing by $169.3 million from the prior year. Operating expenses totaled $1,953.9 million for fiscal year 2024, reflecting a year-over-year increase of $143.5 million. Total revenues less total operating expenses resulted in an increase to net position of $417.0 million.

Total Expenses

The university is committed to recruiting and retaining outstanding faculty and staff. The personnel compensation package is one way to successfully compete with peer institutions and nonacademic employers. The natural expense category, compensation and benefits, comprises $1,253.6 million or 64.2% of the university's total operating expenses. This category increased by $117.7 million (10.4%) over the previous year. Generally, changes to expenses in this category come from three sources: increases or reductions in the number of personnel, annual salary increases, and the general trend in the costs of fringe benefits. The benefits section is also affected by the changes in the actuarially calculated expenses for the OPEB and pension programs. Almost all of the natural expense categories saw increases as the university continues to grow and expand.

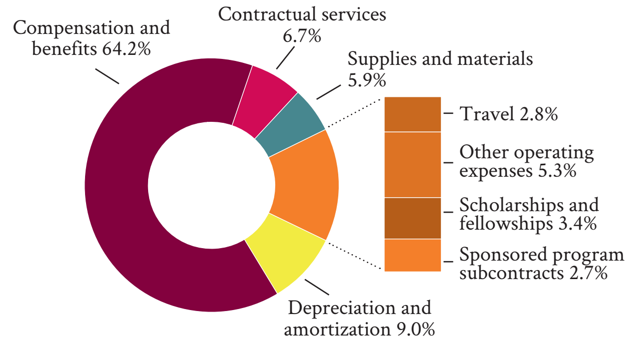
Summary of Expenses by Natural Classification

Increase (Decrease) in Expenses by Natural Classification
For the years ended June 30, 2024 and 2023
(all dollars in millions)

	2024	2023 (restated)	Change Amount	Change Percent
Compensation and benefits	$ 1,253.6	$ 1,135.9	$ 117.7	10.4 %
Contractual services	130.4	147.9	(17.5)	(11.8)%
Supplies and materials	114.4	93.8	20.6	22.0 %
Travel	55.6	51.5	4.1	8.0 %
Other operating expenses	105.9	111.3	(5.4)	(4.9)%
Scholarships and fellowships*	65.9	60.3	5.6	9.3 %
Sponsored program subcontracts	53.1	47.5	5.6	11.8 %
Depreciation and amortization	175.0	162.2	12.8	7.9 %
Total operating expenses	$ 1,953.9	$ 1,810.4	$ 143.5	7.9 %

Includes loan administrative fees and collection costs.

Expenses by Natural Classification
For the year ended June 30, 2024



Operating expenses for fiscal year 2024 totaled $1,953.9 million, an increase of $143.5 million or 7.9% from fiscal year 2023. In the functional categories of expense, research experienced the largest increase ($40.0 million) reflecting the increase in sponsored program awards and the continued investment in the university research centers. Instruction had the second-largest increase ($34.5 million) reflecting the continued investment in providing the highest quality education for the students of the university. Auxiliary enterprise functions also experienced an increase ($28.2 million).

In summary, the university's operating revenues increased by $94.6 million or 6.6% over the preceding year, while operating expenses grew by $143.5 million or 7.9%. This resulted in an operating loss for the current fiscal year of $416.0 million in comparison to the operating loss of $367.1 million generated during the previous year. State appropriations, investment earnings, and other net non-operating revenues were used to meet operating expenses not offset by operating revenues.

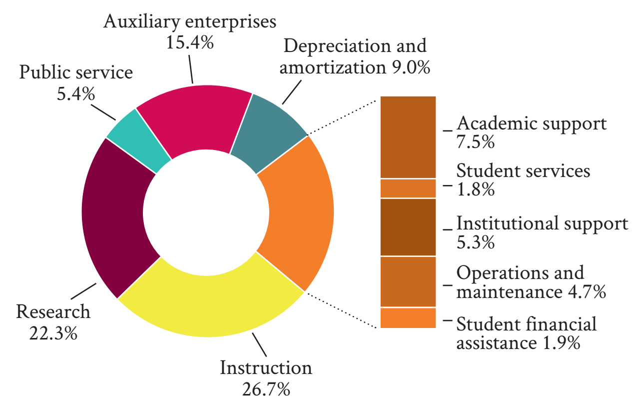
Summary of Expenses by Function

Increase (Decrease) in Expenses by Function
For the years ended June 30, 2024 and 2023
(all dollars in millions)

	2024	2023 (restated)	Change Amount	Change Percent
Instruction	$ 522.0	$ 487.5	$ 34.5	7.1 %
Research	435.6	395.6	40.0	10.1 %
Public service	105.1	101.8	3.3	3.2 %
Auxiliary enterprises	300.6	272.4	28.2	10.4 %
Depreciation and amortization	175.0	162.2	12.8	7.9 %
Subtotal	1,538.3	1,419.5	118.8	8.4 %
Support, maintenance, and other				
Academic support	147.8	130.2	17.6	13.5 %
Student services	35.1	33.0	2.1	6.4 %
Institutional support	103.4	91.0	12.4	13.6 %
Operations and maintenance	91.4	100.4	(9.0)	(9.0)%
Student financial assistance*	37.9	36.3	1.6	4.4 %
Total support, maint., and other	415.6	390.9	24.7	6.3 %
Total operating expenses	$ 1,953.9	$ 1,810.4	$ 143.5	7.9 %

Includes loan administrative fees and collection costs.

Expenses by Function
For the year ended June 30, 2024



Statement of Cash Flows

The *Statement of Cash Flows* presents detailed information about the cash activity of the university during the year. Cash flows from operating activities will always be different from the operating loss on the *Statement of Revenues, Expenses, and Changes in Net Position* (SRECNP). This difference occurs because the SRECNP is prepared on the accrual basis of accounting and includes noncash items, such as depreciation expenses, whereas the *Statement of Cash Flows* presents cash inflows and outflows without regard to accrual items. The *Statement of Cash Flows* should help readers assess the ability of an institution to generate sufficient cash flows to meet its obligations.

The statement is divided into five sections. The first section, cash flows from operating activities, deals with operating cash flows and shows net cash used by operating activities of the university. The cash flows from noncapital financing activities section reflects cash received and disbursed for purposes other than operating, investing, and capital financing. GASB requires general appropriations from the commonwealth and noncapital gifts be shown as cash flows from noncapital financing activities. Cash flows from capital and related financing activities presents cash used for the acquisition and construction of capital and related items. Plant funds and related long-term debt activities (except depreciation and amortization) are included in cash flows from capital financing activities. Cash flows from investing activities reflect the cash flows generated from investments which include purchases, proceeds, and interest. The last section reconciles the operating income or loss reflected on the *Statement of Revenues, Expenses, and Changes in Net Position* for fiscal year 2024 to net cash used by operating activities.

Net cash used by operating activities was $280.5 million, a $20.4 million increase from the prior year. Total cash inflows from operating activities increased by $170.8 million with the largest inflow increases from grants and contracts ($79.3 million), auxiliary enterprise charges ($39.6 million), and tuition and fees ($33.0 million). Total cash outflows grew by $191.3 million with the major increases in uses of cash being payments to employees and fringe benefits ($145.8 million) and operating expenses ($28.6 million) reflecting the rising cost of providing a high-quality education to the student body. Operating activity uses of cash significantly exceeded operating activity sources of cash due to the classification of state appropriations ($403.1 million) and gifts ($106.3 million) as noncapital financial activities.

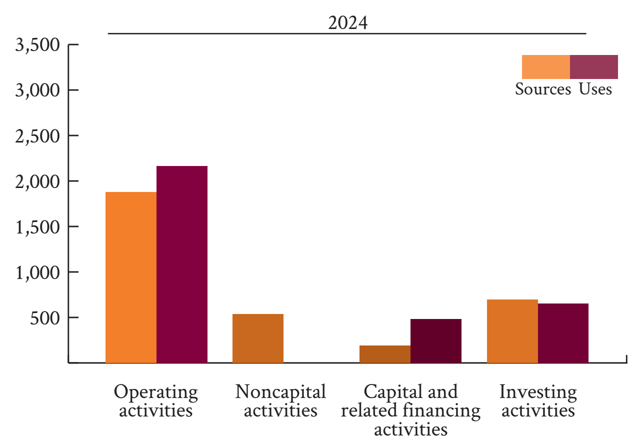
Net cash flows provided by noncapital financing activities increased by $46.6 million. This increase was due to a rise in state appropriations of $37.8 million and an increase of $13.8 million in gifts drawn from the foundation. These increases were offset by a decrease in other non-operating receipts of $6.9 million.

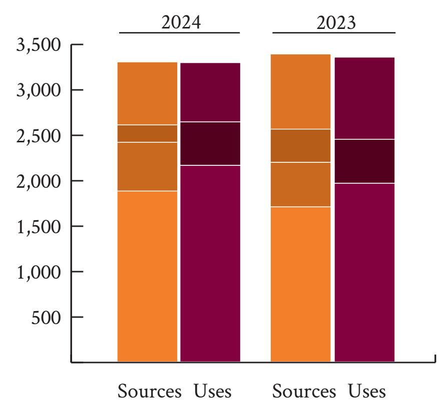
Cash used by capital financing activities increased by $171.7 million. Prior year included proceeds from the issuance of capital debt of $204.7 million while no new debt was issued in current year. Payments for principal and interest related to capital debt grew by $16.4 million. Cash used for the acquisition and construction of capital assets increased $15.9 million and gifts for capital assets decreased by $16.2 million. These uses of cash were offset by increases in capital appropriations of $27.7 million, proceeds from the sale of capital assets of $15.0 million and a decrease in payments on short-term financing of $38.8 million.

Summary of Cash Flows

Summary of Cash Flows
For the years ended June 30, 2024 and 2023
(all dollars in millions)

	2024	2023 *(restated)*	Change Amount	Change Percent
Net cash used by operating activities	$ (280.5)	$ (260.1)	$ (20.4)	(7.8)%
Net cash provided by noncapital activities	536.5	489.9	46.6	9.5 %
Net cash used by capital and related financing activities	(289.5)	(117.8)	(171.7)	(145.8)%
Net cash provided (used) by investing activities	41.7	(76.8)	118.5	154.3 %
Net increase in cash and cash equivalents	8.2	35.2	(27.0)	(76.7) %
Cash and cash equivalents - beginning of year	356.5	321.3	35.2	11.0 %
Cash and cash equivalents - end of year	$ 364.7	$ 356.5	$ 8.2	2.3 %





(The graphs above demonstrate the relationship between sources and uses of cash. The graph on the left shows activity for fiscal year 2024 only, grouped by related sources and uses of cash, while the graph on the right displays that same activity for fiscal years 2024 and 2023 in a stacked format.)

Net cash provided by investing activities increased by $118.5 million as the investment area took advantage of higher interest rates and other investment opportunities.

Economic Outlook

Virginia Tech maintains strong state and federal funding support, which enables the university to pursue its tripartite mission of discovery, learning, and engagement from a strong financial position.

As a public institution, the university is subject to many of the macroeconomic conditions that impact the nation and the Commonwealth of Virginia. The fiscal strength of the Commonwealth of Virginia translated into a significant investment of resources into Virginia Tech for fiscal year 2024, signaling the state's continued interest in supporting higher education and economic growth. With actual state revenue collections outpacing the revised revenue forecast, the commonwealth finished fiscal year 2024 with a $1.2 billion surplus. This surplus provided the commonwealth capacity to further enhance its reserves while providing funding to institutions of higher education to support the Virginia Military Survivors and Dependents Education Program.

In planning for fiscal year 2025, the university closely monitored the budget deliberations of the Virginia General Assembly. The total FY25 general fund allocation from the commonwealth is projected to be $450.7 million, an increase of $37.5 million from the FY24 adjusted budget - which supports 20 percent of the university's budget through general fund appropriations in FY25. In addition to supporting moderate tuition increases and enhancing state-funded student financial aid, the commonwealth continues to invest in health sciences with an investment of $114 million statewide to support life science research initiatives - which will enable the Virginia Tech Patient Research Center.

In parallel, the university continuously explores cost containment measures and strategies for revenue enhancement, including increased philanthropy, industry partnerships, and enrollment to meet the needs of the university and support the state's needs. The Virginia Tech Board of Visitors maintains its authority to establish tuition and fee rates, and significant national, state, and institutional emphasis continues to focus on maintaining a slow rate of tuition growth.

Demand for a Virginia Tech education continues to grow, providing a stable and growing source of revenue to support instructional activities. Tuition and fees now provide 46 percent of the total university budget. Once again, the university experienced the largest number of applications ever for the fall 2024 incoming freshman class. Demand from both talented resident and nonresident students continues to increase. The university's efforts have also diversified the applicant pool with notable increases in interest from first-generation and under-served populations. As the largest producer of STEM-H graduates in the commonwealth, Virginia Tech continues to strengthen Virginia's workforce and knowledge-driven economy.

An additional major input to the university budget is federal support. University leadership monitors federal opportunities to support university program funding, including externally sponsored research, land-grant activities, and student financial aid. Active collaborations with other universities, industry, and foundations, as well as the federal government have facilitated the sharing of expertise across disciplinary boundaries.

While significant focus is placed on sustainable revenue sources, the university also continues to employ cost containment and innovative resource enhancement strategies to successfully advance the institution and its strategic priorities. In comparison to peer institutions, benchmarking demonstrates that Virginia Tech operates an administratively lean organization, directing a larger share of overall resources towards academic activities than peers. The university will continue to employ strategic planning processes to advance its core missions of instruction, research, and public service, and manage resources to achieve strategic priorities. Current priorities include facilitating student access, affordability, and success through the Virginia Tech Advantage program and becoming a top 100 global research university through the Virginia Tech Global Distinction program.

Virginia Tech, along with all other public institutions of higher education in Virginia, continues to benefit from significant decentralized authority from the Commonwealth of Virginia. Restructuring provides flexibility and authority to the participating institutions with the potential for increased efficiencies and cost savings. The university works to leverage these authorities to drive efficiencies for cost savings and better meet the needs of the commonwealth.

The university invests its public funds in accordance with two sections of the *Code of Virginia:* the *Investment of Public Funds Act* and the *Uniform Prudent Management of Institutional Funds Act.* The university continually monitors the valuation of its investments which is overseen by the university's board of visitors. At the end of the fiscal year, the value of the university's investments held with the foundation totaled $605.8 million, an increase of $29.9 million over the preceding year.

Executive management believes that the university will maintain its solid financial foundation and is positioned to continue to advance excellence in teaching, research, and public service. Management's policies of cost containment and investing in strategic initiatives will ensure the university is prepared to manage the changing environment of higher education while continuing to advance the university's strategic plan. The financial position of the university is strong as evidenced by its diversified portfolio of research funding, ranking, strong student demand from increasingly talented students, auxiliary enterprises with high customer satisfaction, growing contributions to endowments, increased assets, and quality debt ratings from Moody's Investors Service Inc. (Aa1) and S&P Global Ratings (AA).

With its thriving and engaged community of students, faculty, and staff, Virginia Tech's future remains bright as one of the commonwealth's largest public universities.

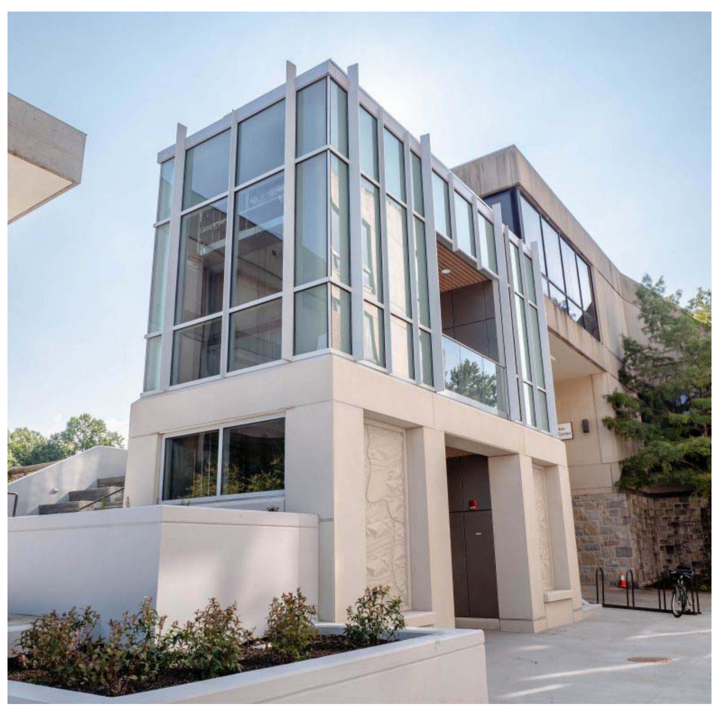


Photo by Noah Alderman/Virginia Tech

Statement of Net Position

As of June 30, 2024, with comparative financial information as of June 30, 2023
(all dollars in thousands)

	2024		2023	
	Virginia Tech	Virginia Tech Foundation	Virginia Tech *(restated)* Note 1	Virginia Tech Foundation
Assets				
Current assets				
Cash and cash equivalents (Note 4)	$ 294,542	$ 72,236	$ 236,876	$ 61,991
Short-term investments (Notes 4, 27)	-	19,409	-	11,947
Accounts and contributions receivable, net (Notes 1, 5, 27)	117,504	83,307	128,160	86,906
Notes receivable, net (Notes 1, 6)	431	406	477	364
Due from Commonwealth of Virginia (Note 10)	15,525	-	15,422	-
Inventories	18,497	159	19,865	146
Prepaid expenses	12,529	767	10,066	840
Other assets	-	10,950	-	15,140
Total current assets	459,028	187,234	410,866	177,334
Noncurrent assets				
Cash and cash equivalents (Note 4)	70,123	56,693	119,618	38,983
Short-term investments (Note 4)	315	-	2,112	-
Due from Commonwealth of Virginia (Note 10)	107,182	-	62,517	-
Accounts and contributions receivable, net (Notes 1, 5, 27)	10,521	98,689	10,196	100,418
Notes receivable, net (Notes 1, 6)	8,046	7,317	5,688	7,989
Net investments in direct financing leases (Note 27)	-	150,636	-	158,101
Irrevocable trusts held by others, net	-	5,467	-	5,060
Long-term investments (Notes 4, 27)	958,198	2,101,533	910,188	1,937,876
Depreciable capital assets, net (Notes 7, 27)	2,334,598	236,366	2,198,506	237,733
Nondepreciable capital assets (Notes 7, 27)	553,301	171,619	486,605	164,520
Intangible assets, net	-	3,459	-	3,581
Other assets	11,397	7,284	10,710	6,745
Total noncurrent assets	4,053,681	2,839,063	3,806,140	2,661,006
Total assets	4,512,709	3,026,297	4,217,006	2,838,340
Deferred outflows of resources (Note 25)	118,484	-	94,322	-
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Note 8)	193,468	12,437	232,184	13,386
Accrued compensated absences (Notes 1, 17)	39,655	767	39,298	682
Unearned revenue (Notes 1, 9)	56,949	5,367	56,882	18,421
Funds held in custody for others	13,991	-	8,577	-
Commercial paper (Note 11)	5,986	-	6,813	-
Long-term subscription-based IT arrangements (Note 16)	6,499	-	5,553	-
Long-term leases payable (Note 15)	20,152	-	19,488	-
Long-term debt payable (Notes 12, 13, 27)	36,670	20,143	32,254	20,089
Other postemployment benefits liabilities (Notes 17, 21)	2,607	-	3,642	-
Other liabilities	-	1,743	673	3,355
Total current liabilities	375,977	40,457	405,364	55,933
Noncurrent liabilities				
Accrued compensated absences (Notes 1, 17)	24,157	77	21,428	68
Unearned revenue	-	13,141	-	3,683
Long-term subscription-based IT arrangements (Note 16)	12,740	-	12,518	-
Long-term leases payable (Note 15)	169,685	-	182,005	-
Long-term debt payable (Notes 12, 13, 27)	535,293	255,491	575,520	266,164
Liabilities under trust agreements	-	19,409	-	20,412
Agency deposits held in trust (Note 27)	-	694,421	-	648,613
Pension liability (Notes 17, 19)	316,090	-	284,863	-
Other postemployment benefits liabilities (Notes 17, 21)	139,945	-	139,070	-
Other liabilities	5,709	7,116	4,880	6,425
Total noncurrent liabilities	1,203,619	989,655	1,220,284	945,365
Total liabilities	1,579,596	1,030,112	1,625,648	1,001,298
Deferred inflows of resources (Note 25)	79,567	-	130,625	-
Net position				
Investment in capital assets	2,112,040	293,800	1,944,325	280,419
Restricted, nonexpendable	14,684	887,009	14,249	824,869
Restricted, expendable				
Scholarships, research, instruction, and other	192,702	610,569	168,944	553,660
Capital projects	134,914	-	42,360	-
Debt service and auxiliary operations	101,481	-	97,074	-
Unrestricted	416,209	204,807	288,103	178,094
Total net position	$ 2,972,030	$ 1,996,185	$ 2,555,055	$ 1,837,042

The accompanying *Notes to Financial Statements* are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position

For the year ended June 30, 2024, with comparative financial information for the year ended June 30, 2023
(all dollars in thousands)

	2024		2023	
	Virginia Tech	Virginia Tech Foundation	Virginia Tech *(restated)* Note 1	Virginia Tech Foundation
Operating revenues				
Student tuition and fees, net (Note 1)	$ 686,428	$ -	$ 646,997	$ -
Gifts and contributions	-	97,612	-	76,668
Federal appropriations	16,628	-	14,361	-
Federal grants and contracts	319,003	-	291,062	-
State grants and contracts	33,200	-	26,784	-
Local grants and contracts (Note 3)	17,076	-	14,602	-
Nongovernmental grants and contracts	63,000	-	59,433	-
Sales and services of educational activities	33,606	-	30,737	-
Auxiliary enterprise revenue, net (Note 1)	360,257	28,768	343,380	28,146
Other operating revenues	8,685	75,659	15,954	72,228
Total operating revenues	1,537,883	202,039	1,443,310	177,042
Operating expenses				
Instruction	522,066	2,290	487,469	4,180
Research	435,588	12,283	395,611	10,094
Public service	105,132	6,161	101,779	6,173
Academic support	147,780	45,008	130,181	31,525
Student services	35,155	-	33,044	-
Institutional support	103,396	68,124	91,051	58,000
Operation and maintenance of plant	91,393	19,301	100,446	17,990
Student financial assistance	37,839	44,839	36,274	39,504
Auxiliary enterprises	300,592	17,973	272,399	17,406
Depreciation and amortization (Note 7)	174,983	12,242	162,181	11,665
Other operating expenses	-	10,311	-	15,352
Total operating expenses	1,953,924	238,532	1,810,435	211,889
Operating loss	(416,041)	(36,493)	(367,125)	(34,847)
Non-operating revenues (expenses)				
State appropriations (Note 24)	403,155	-	365,331	-
Gifts	107,435	-	92,968	-
Coronavirus relief funding	1	-	7,443	-
Non-operating grants and contracts	263	-	384	-
Federal student financial aid (Pell)	26,820	-	24,780	-
Investment income, net	88,818	21,211	60,267	28,351
Net gain (loss) on investments	-	96,371	-	71,520
Interest expense on subscription-based IT arrangements	(521)	-	(216)	-
Interest expense on long-term leases	(6,871)	-	(6,482)	-
Interest expense on debt related to capital assets	(17,969)	(8,324)	(15,527)	(8,693)
Other non-operating revenue	10,457	-	16,484	-
Net non-operating revenues (expenses)	611,588	109,258	545,432	91,178
Income before other revenues, expenses, gains, or losses	195,547	72,765	178,307	56,331
Change in valuation of split interest agreements	-	4,133	-	2,528
Capital appropriations (Note 24)	115,470	-	43,550	-
Capital grants and gifts (Note 10)	105,664	22,139	169,214	18,971
Gain on disposal of capital assets	294	7,168	154	118
Additions to permanent endowments	-	58,546	-	40,471
Other revenues (expenses)	-	(5,608)	-	3,342
Total other revenues, expenses, gains, and losses	221,428	86,378	212,918	65,430
Increase in net position	416,975	159,143	391,225	121,761
Net position—beginning of year, as restated (Note 1)	2,555,055	1,837,042	2,163,830	1,715,281
Net position—end of year	$ 2,972,030	$ 1,996,185	$ 2,555,055	$ 1,837,042

The accompanying *Notes to Financial Statements* are an integral part of this statement.

Statement of Cash Flows

For the year ended June 30, 2024, with comparative financial information as of June 30, 2023
(all dollars in thousands)

	2024	2023 *(restated)* Note 1
Cash flows from operating activities		
Tuition and fees	$ 683,642	$ 650,608
Federal appropriations	17,235	13,723
Grants and contracts	439,902	360,642
Sales and services of education departments	33,606	30,737
Auxiliary enterprise charges	367,521	327,937
Other operating receipts	9,034	15,954
Payments for operating expenses	(494,410)	(465,831)
Payments to employees and fringe benefits	(1,300,987)	(1,155,208)
Payments for scholarships and fellowships	(37,839)	(36,274)
Loans issued to students	(5,157)	(5,752)
Collection of loans to students	1,503	5,573
Direct lending receipts	169,567	158,893
Direct lending disbursements	(169,597)	(158,897)
Scholarship and other miscellaneous custodial receipts	153,901	141,039
Scholarship and other miscellaneous custodial disbursements	(148,457)	(143,215)
Net cash used by operating activities	(280,536)	(260,071)
Cash flows from noncapital financing activities		
State appropriations	403,160	365,326
Non operating grants and contracts	263	384
Federal student financial aid (Pell)	26,820	24,780
Gifts for other than capital purposes	106,261	92,469
Other non-operating receipts	1	6,939
Net cash provided by noncapital financing activities	536,505	489,898
Cash flows from capital financing activities		
Capital appropriations	42,238	14,529
Gifts for capital assets	128,693	144,863
Proceeds from issuance capital debt	-	204,665
Proceeds from the sale of capital assets	16,864	1,826
Acquisition and construction of capital assets	(387,477)	(371,539)
Proceeds (payments) short-term financing	(827)	(39,636)
Principal paid on capital-related debt	(60,763)	(49,405)
Interest paid on capital-related debt	(28,229)	(23,117)
Net cash used by capital financing activities	(289,501)	(117,814)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	660,524	803,106
Interest on investments	33,264	23,933
Purchases of investments	(652,085)	(903,876)
Net cash provided (used) by investing activities	41,703	(76,837)
Net increase (decrease) in cash and cash equivalents	8,171	35,176
Cash and cash equivalents - Beginning of year	356,494	321,318
Cash and cash equivalents - End of year	$ 364,665	$ 356,494

The accompanying *Notes to Financial Statements* are an integral part of this statement.

Statement of Cash Flows, continued

For the year ended June 30, 2024, with comparative financial information as of June 30, 2023
(all dollars in thousands)

	2024	2023 *(restated)* Note 1
Reconciliation of net operating expenses to net cash used by operating activities		
Operating loss	$ (416,041)	$ (367,125)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation expense	174,983	162,181
Changes in assets, deferred outflows, liabilities, and deferred inflows		
Receivables, net	11,983	(38,868)
Inventories	1,368	(2,239)
Prepaid and other assets	(2,591)	13,503
Other postemployment benefits asset	(559)	2,134
Notes receivable, net	(2,312)	4,718
Deferred outflow for VRS pension	(26,854)	13,383
Deferred outflow for other postemployment benefits	1,701	346
Accounts payable and other liabilities	(5,393)	(694)
Accrued payroll	(11,438)	27,404
Compensated absences	3,086	6,941
Unearned revenue	67	(5,337)
Pension liability	38,468	69,162
Other postemployment benefits liability	(160)	(7,249)
Federal loan contributions refundable	(1,342)	(4,897)
Deferred inflow for VRS pension	(31,472)	(109,998)
Deferred inflow for other postemployment benefits	(20,451)	(21,751)
Deferred inflow for long-term leases	1,007	491
Scholarship and other miscellaneous custodial accounts, net	5,414	(2,176)
Total adjustments	135,505	107,054
Net cash used by operating activities	$ (280,536)	$ (260,071)
Noncash investing, capital, and financing activities		
Change in accounts receivable related to non-operating income	$ (1,618)	$ (9,111)
Capital assets acquired through in-kind donations as a component of capital gifts and grants income	$ 5,854	$ 542
Change in fair value of investments recognized as a component of investment income	$ 27,358	$ 30,466
Change in value of interest payable affecting interest paid	$ (493)	$ 1,854
Capital assets acquired through the assumption of a liability (long-term leases and SBITAs)	$ 18,133	$ 124,918
Change in interest receivable affecting interest income	$ 902	$ 2,666
Loss on disposal of capital assets	$ (12,081)	$ (1,473)
Amortization of bond premium/discount and gain/loss on debt refunding	$ (2,375)	$ (2,610)
Retainage payable	$ 18,261	$ 16,864
Change in pension and OPEB liability recognized as a component of non-operating revenue	$ 7,241	$ 15,354

The accompanying *Notes to Financial Statements* are an integral part of this statement.

Photo by Christina Franusich/Virginia Tech

Notes to Financial Statements

Contents

1. Summary of Significant Accounting Policies

Reporting Entity

Virginia Polytechnic Institute and State University is a public land-grant university serving the Commonwealth of Virginia, the nation, and the world community. The discovery and dissemination of new knowledge are central to its mission. Through its focus on teaching and learning, research and discovery, and outreach and engagement, the university creates, conveys, and applies knowledge to expand personal growth and opportunity, advance social and community development, foster economic competitiveness, and improve the quality of life.

The university includes all funds and entities over which the university exercises or can exercise oversight authority for financial reporting purposes.

Under Section 2100 of the GASB codification, Virginia Tech Foundation Inc. (VTF or the foundation) is included as a component unit of the university.

A separate report is prepared for the Commonwealth of Virginia that includes all agencies, boards, commissions, and authorities over which the commonwealth exercises or can exercise oversight authority. The university is a component unit of the Commonwealth of Virginia and is included in the basic financial statements of the commonwealth.

Virginia Tech Foundation Inc.

The foundation is a legally separate, tax-exempt organization established in 1948 to receive, manage, and disburse private gifts in support of Virginia Tech programs. A twenty- to thirty-five-member board of directors and four ex-officio positions govern the foundation. The rector of the Virginia Tech Board of Visitors, the president of the university, the president of the alumni association, and the president of the athletic fund serve as ex-officio members. Three additional positions from the university have been elected to the board: the executive vice president and chief operating officer; the senior vice president for Advancement; and the vice president for Campus Planning, Infrastructure, and Facilities. Officers are elected by a vote of the membership of the foundation.

The foundation serves the university by generating significant funding from private sources and proactively managing its assets to provide funding that supplements state appropriations. It supplies additional operating support to colleges and departments, helps fund major building projects, and provides seed capital for new university initiatives. Although the university does not control the timing or amount of receipts from the foundation, the majority of resources or income that the foundation holds and invests is restricted by the donors to activities of the university. Because these restricted resources held by the foundation can only be used by or for the benefit of the university, the foundation is considered a component unit of the university. It is discretely presented in the financial statements. The administrative offices of Virginia Tech Foundation Inc. are located at University Gateway Center, 902 Prices Fork Road, Blacksburg, Virginia 24061.

During this fiscal year, the foundation distributed $127,127,000 to the university for both restricted and unrestricted purposes.

Financial Statement Presentation

GASB Statement 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities,* issued November 1999, establishes accounting and financial reporting standards for public colleges and universities within the financial reporting guidelines of GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.* The standards are designed to provide financial information that responds to the needs of three groups of primary users of general-purpose external financial reports: the citizenry, legislative and oversight bodies, and investors and creditors. The university is required under this guidance to include *Management's Discussion and Analysis*, and basic financial statements, including notes, in its financial statement presentation.

Basis of Accounting

For financial reporting purposes, the university is considered a special-purpose government entity engaged only in business-type activities. Accordingly, the university's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Cash Equivalents

For purposes of the statements of net position and cash flows, the university considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

Short-term Investments

Short-term investments include securities with an original maturity over 90 days but less than or equal to one year at the time of purchase.

Investments

GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as modified by GASB Statement 59, and GASB Statement 72, *Fair Value Measurement and Application*, require that purchased investments, interest-bearing temporary investments classified with cash, and investments received as gifts be recorded at fair value (see Note 4). Changes in unrealized gain or loss on the carrying value of the investments are reported as a part of investment income in the *Statement of Revenues, Expenses, and Changes in Net Position*.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also include amounts due from federal, state, and local governments, as well as nongovernmental sources, in connection with reimbursement of allowable expenses made according to the university's grants and contracts. Accounts receivable are recorded net of allowance for doubtful accounts. Accounts receivable include amounts owed from lessees for the present service capacity of university assets. Lease receivables are recognized when the net present value of future minimum lease payments is $50,000 or greater. See Note 5 for a detailed list of accounts receivable amounts by major categories.

Notes Receivable

Notes receivable consist of amounts due from the Health Professional Student Loan Program, other student loans, and loans to affiliated organizations. See Note 6 for a list of notes receivable amounts by major categories.

Inventories

Inventories are stated at the lower of cost or market value (primarily first-in, first-out method) and consist mainly of expendable supplies for operations of auxiliary enterprises and fuel for the physical plant.

Prepaid Expenses

Prepaid expenses are expenses for future fiscal years that were paid in advance of June 30, 2024. Payments of expenses that extend beyond fiscal year 2025 are classified as noncurrent assets. Prepaid expenses consist primarily of library serial subscriptions, information technology contracts, property leases, and insurance.

Noncurrent Cash and Investments

Noncurrent cash and investments are reported as restricted because restrictions change the nature or normal understanding of the availability of the asset. These cash and investments include those restricted for the acquisition or construction of capital assets, those kept legally separate for the payment of principal and interest as required by debt covenants, unspent debt proceeds, and other restricted investments to make debt service payments or purchase other noncurrent assets.

Capital Assets

Capital assets consisting of land, buildings, infrastructure, and equipment are stated at appraised historical cost or actual cost where determinable. Construction in progress, equipment in process, and software in development are capitalized at actual cost as expenses are incurred. Library materials are valued using published average prices for library acquisitions, and livestock is stated at estimated market value. All gifts of capital assets are recorded at acquisition value as of the date of donation.

Intangible right-to-use assets consisting of the right-to-use land, buildings, infrastructure, and equipment are stated at the net present value of future minimum lease payments at the commencement of the lease term. Intangible right-to-use assets are recognized when the net present value of future minimum lease payments is $50,000 or greater. Upfits, tenant improvements, construction, and other renovations are capitalized at actual cost as expenses are incurred.

Subscription-based Information Technology Arrangements (SBITAs) are stated at the net present value of future minimum lease payments at the commencement of the subscription term. SBITA assets are recognized when the net present value of future minimum subscription payments is $50,000 or greater. Implementation costs occurred in the initial implementation stage are capitalized at actual cost as expenses are incurred.

Equipment is capitalized when the estimated useful life is one year or more, and unit acquisition cost is $2,000 or greater or acquisition costs are significant when aggregated. Software is capitalized when the sum of the acquisition and development costs exceeds $100,000. Renovation costs are capitalized when expenses total more than $100,000, the asset value significantly increases, or the useful life is significantly extended. Routine repairs and maintenance are charged to operating expenses in the year the expense is incurred.

Depreciation is computed using the straight-line method over the useful life of the assets. The useful life is 40 to 60 years for buildings, 10 to 50 years for infrastructure and land improvements, 10 years for library books, and 3 to 30 years for fixed and movable equipment. Right-to-use lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Amortization expense is combined with depreciation expense in the *Statement of Revenues, Expenses, and Changes in Net Position*. Livestock is not depreciated, as it tends to appreciate over the university's normal holding period.

Special collections are not capitalized due to the collections being: (1) held for public exhibition, education, or research in the furtherance of public service rather than financial gain; (2) protected, kept unencumbered, cared for, and preserved; and (3) subject to university policy requiring the proceeds from the sales of collection items to be used to acquire other items for collections.

Pensions

The Virginia Retirement System (VRS) State Employees Retirement Plan and the Virginia Law Officers' Retirement System (VaLORS) Retirement Plan are single-employer pension plans that are treated like cost-sharing plans. To measure the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS plan and the VaLORS plan, and the additions to/deductions from the VRS plan's and the VaLORS plan's net fiduciary position have been determined on the same basis as VRS reported them. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable according to the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

Pre-Medicare Retiree Healthcare Plan – Pre-Medicare Retiree Healthcare is a single-employer defined benefit plan that is treated like a cost-sharing plan for financial reporting purposes. This program was established by Title 2.2, Chapter 28, *Code of Virginia* for retirees who are not yet eligible to participate in Medicare. It is the same health insurance program offered to active employees and managed by the Virginia Department of Human Resources Management. After retirement, Virginia Tech no longer subsidizes the retiree's premium; however, since both active employees and retirees are included in the same pool for determining health insurance rates, retiree rates are effectively lower than what might otherwise be available outside of this benefit.

Group Life Insurance – The Virginia Retirement System (VRS) Group Life Insurance (GLI) program is a multiple-employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI program was established under §51.1-500 et seq., *Code of Virginia*, as amended, which provides the authority under which benefit terms are established or may be amended. The GLI program is a defined benefit plan that provides a group life insurance benefit for employees of participating employers.

State Employee Health Insurance Credit Program – The Virginia Retirement System (VRS) State Employee Health Insurance Credit (HIC) program is a single-employer plan that is presented as a multiple-employer, cost-sharing plan. The HIC program was established under §51.1-1400 et seq., *Code of Virginia*, as amended, which provides the authority under which benefit terms are established or may be amended. The HIC program is a defined benefit plan that provides credit toward the cost of health insurance coverage for retired state employees.

Line of Duty Act Program – The Virginia Retirement System (VRS) Line of Duty Act (LODA) program is a multiple-employer, cost-sharing plan. The LODA program was established under §9.1-400 et seq., *Code of Virginia*, as amended, which provides the authority under which benefit terms are established or may be amended. The LODA program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as public safety officers. In addition, health insurance benefits are provided to eligible survivors and family members.

Virginia Retirement System Disability Insurance Program – The Virginia Retirement System (VRS) Disability Insurance Program (Virginia Sickness and Disability Program, VSDP) is a single-employer plan that is presented as a multiple-employer, cost-sharing plan. The VSDP program was established under §51.1-1100 et seq., *Code of Virginia*, as amended, which provides the authority under which benefit terms are established or may be amended. The VSDP program is a managed care program that provides sick leave, family and personal leave, and short-term and long-term disability benefits for state police officers, state employees, and VaLORS employees.

For measuring the net liability of these OPEB programs, their expenses, deferred outflows and inflows of resources, information about their fiduciary net positions, and additions to or deductions from their net fiduciary positions have been determined on the same basis as reported by VRS. In addition, benefit payments for these programs are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Accrued Compensated Absences

Certain salaried employees' attendance and leave regulations make provisions for the granting of a specified number of days of leave with pay each year. The amount reflects all unused vacation leave and sabbatical leave, as well as the amount payable upon termination under the Commonwealth of Virginia's sick leave payout policy. The applicable share of employer-related taxes payable on the eventual termination payments is also included. The university's liability and expense for the amount of leave earned by employees, but not taken, as of June 30, 2024 is recorded in the *Statement of Net Position* and is included in the various functional categories of operating expenses in the *Statement of Revenues, Expenses, and Changes in Net Position*.

Unearned Revenues

Unearned revenue represents revenue collected but not earned as of June 30, 2024, primarily composed of revenue for grants and contracts, prepaid athletic ticket sales, and prepaid student tuition and fees. Summer Session I tuition and fees received during the fiscal year are considered earned at the end of the refund period, approximately June 15th of each year. Tuition and fees received before year-end for Summer Session II are unearned and recognized as revenue in the next fiscal year. Summer Session III is twelve weeks long and spans across fiscal years 2024 and 2025. The tuition and fees received for Summer Session III are considered half earned by June 30th, and half unearned and recognized as revenue in the next fiscal year. See Note 9 for a detailed list of unearned revenue amounts.

Funds Held in Custody for Others

Funds held in custody for others represent funds held by the university on behalf of others as a result of agency relationships with various groups and organizations.

Noncurrent Liabilities

Noncurrent liabilities include: (1) the principal amounts of revenue bonds payable, notes payable, and finance purchase obligations with maturities greater than one year; (2) long-term lease obligations; (3) pension plan liabilities; (4) SBITA obligations; (5) OPEB liabilities; and (6) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year.

Net Position

The university's net position is classified as follows:

Net investment in capital assets – Net investment in capital assets represents the university's total investment in capital assets, net of accumulated depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted component of net position, expendable – The expendable category of the restricted component of net position includes resources for which the university is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted component of net position, nonexpendable – The nonexpendable category of the restricted component of net position is comprised of endowment and similar type funds where donors or other external sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested to produce present and future income to be expended or added to principal.

Unrestricted component of net position – Unrestricted net position represents resources derived from student tuition and fees, state appropriations, recoveries of facilities and administrative (indirect) costs, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to educational departments and general operations of the university and may be used at the discretion of the university's board of visitors to meet current expenses for any lawful purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the university's policy is to apply the expense towards restricted resources before unrestricted resources.

Income Taxes

The university is considered an agency of the Commonwealth of Virginia and, as such, is exempt from federal income tax under Section 115(a) of the Internal Revenue Code.

Classifications of Revenues and Expenses

The university has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowance; (2) sales and services of auxiliary enterprises, net of scholarship allowance; (3) most federal, state, local and nongovernmental grants and contracts and federal appropriations; and (4) interest on institutional student loans.

Non-operating revenues – Non-operating revenues are revenues received for which goods and services are not provided. State appropriations, gifts, and other revenue sources that are defined as non-operating revenues by GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* are included in this category.

Operating and non-operating expenses – Non-operating expenses include interest on debt related to the purchase of capital assets and losses on disposal of capital assets. All other expenses are classified as operating expenses.

Scholarship Allowance

Student tuition and fees, certain auxiliary revenues, and student financial assistance expenses are reported net of scholarship allowance in the *Statement of Revenues, Expenses, and Changes in Net Position*. Scholarship allowance is the difference between the stated charge for goods and services provided by the university and the amount paid by students and third parties making payments on the students' behalf. For the fiscal year ending June 30, 2024, the scholarship allowance for student tuition and fee revenue and auxiliary enterprise revenue totaled $176,096,000 and $39,767,000, respectively. Scholarship allowance to students is reported using the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). The alternative method is an algorithm that computes scholarship allowance on a university-wide basis rather than on an individual student basis.

Implementation of GASB Statement 99

In April 2022, GASB issued Statement 99 *Omnibus 2022*. The requirements in paragraphs 4–10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are applicable to the university and are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The university adopted GASB Statement 99 in fiscal year 2024 with an implementation date of July 1, 2023. There was no impact on the financial statements.

Implementation of GASB Statement 100

In June 2022, GASB issued Statement 100 *Accounting Changes and Error Corrections*. This statement requires comprehensive disclosures regarding accounting changes and error corrections to include the following: nature and reason for accounting change or error correction; quantitative impact on the financial statements; for errors, a description of the error and how it was discovered and corrective actions taken; cumulative effect on opening balance of net position in a tabular format. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The university adopted GASB Statement 100 in fiscal year 2024 with an implementation date of July 1, 2023 identifying material error corrections related to leases and SBITAs for which the prior period has been restated.

Implementation of GASB *Implementation Guide 2021-1 Question 5.1*

In May 2021, GASB issued *Implementation Guide 2021-1 Question 5.1* effective for reporting periods beginning after June 15, 2023. The provisions of this implementation guide indicate that an institution should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. The guidance is to be applied retroactively and requires a restatement of the beginning net position. The university adopted *Implementation Guide 2021-1 Question 5.1* in fiscal year 2024 with an implementation date of July 1, 2023. The fiscal year ending June 30, 2023 has been restated.

Below is a table disclosing the restatements due to error corrections and the pooled assets implementation *(all dollars in thousands)*:

	Beginning Balances Original	Error Corrections: Lease Corrections	Error Corrections: SBITA Corrections	Pooled Assets Implementation	Beginning Balances Restated
Depreciable capital assets, net	$ 2,150,406	$ (4,172)	$ 187	$ 52,085	$ 2,198,506
Nondepreciable capital assets	$ 486,171	$ -	$ -	$ 434	$ 486,605
Accounts payable and accrued liabilities	$ 232,199	$ (16)	$ 1	$ -	$ 232,184
Long-term subscription-based IT arrangements, current	$ 5,410	$ -	$ 143	$ -	$ 5,553
Long-term leases payable, current	$ 19,821	$ (333)	$ -	$ -	$ 19,488
Long-term subscription-based IT arrangements	$ 12,798	$ -	$ (280)	$ -	$ 12,518
Long-term leases payable	$ 186,130	$ (4,125)	$ -	$ -	$ 182,005
Investment in capital assets	$ 1,891,196	$ 286	$ 324	$ 52,519	$ 1,944,325
Restricted scholarships, research, instruction, and other	$ 168,946	$ (2)	$ -	$ -	$ 168,944
Unrestricted net position	$ 288,086	$ 18	$ (1)	$ -	$ 288,103

The change in leases was primarily caused by a reduction of liability owed to the foundation based on corrected debt recovery schedules on the North End Center building and garage. The SBITA changes were due to various corrections related to prior period subscriptions. The procedures for capturing and identifying SBITAs have been expanded to mitigate these changes.

Comparative Data

The university presents its financial information on a comparative basis. The basic financial statements include certain prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, the prior-year information should be read in conjunction with the university's financial statements for the year ended June 30, 2023, from which the summarized information was derived. Prior reports can be found at www.controller.vt.edu/financialreporting.html.

2. Related Parties

In addition to the component unit discussed in Note 1, Virginia Tech also has related parties that were not considered significant. These financial statements do not include the assets, liabilities, and net position of the related parties that support university programs. The related parties of the university are: Virginia Tech Services Inc., Virginia Tech Alumni Association, Virginia Tech Athletic Fund Inc., Virginia Tech Intellectual Properties Inc., Virginia Tech Corps of Cadets Alumni Inc., Virginia Tech Applied Research Corporation, Virginia Tech Innovations Corporation, Virginia Tech India Research and Education Forum, and any of the subsidiaries of these corporations.

The organizations are related to the university by affiliation agreements. These agreements require an annual audit to be performed by independent auditors. Affiliated organizations that hold no financial assets and certify all financial activities or transactions through the Virginia Tech Foundation Inc. may be exempt from the independent audit requirement. Exemption requirements are met by Virginia Tech Alumni Association, Virginia Tech Athletic Fund Inc., and Virginia Tech Corp of Cadets Alumni Inc. They are therefore not required to have an annual audit. Virginia Tech Services Inc., Virginia Tech Intellectual Properties Inc., Virginia Tech Applied Research Corporation, Virginia Tech Innovations Corporation, and Virginia Tech India Research and Education Forum are required to have an annual audit. Auditors have examined the financial records of these organizations and a copy of their audit reports have been or will be provided to the university.

3. Local Government Support

The university, through the operation of its Cooperative Extension Service, maintains offices in numerous cities and counties throughout the Commonwealth of Virginia. Personnel assigned to these locations receive a portion of their compensation from local governments. Also included in the expenses of these extension offices are unit support services, which include such items as rent, telephone, supplies, equipment, and extension program expenses. The estimated amount contributed by the various local governments totaled $14,054,000 in 2024, and has been included in revenues and expenses of the accompanying financial statements. The university received other local government support of $3,022,000 in 2024.

4. Cash, Cash Equivalents, and Investments

The following information is provided with respect to the university's cash, cash equivalents, and investments as of June 30, 2024. The following risk disclosures are required by GASB Statement 40, *Deposit and Investment Risk Disclosures:*

Custodial credit risk (category 3 deposits and investments) – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The university had no category 3 deposits or investments for 2024.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. GASB Statement 40 requires the disclosure of the credit quality rating on any investments subject to credit risk.

Concentration of credit risk – The risk of loss attributed to the magnitude of a government's investment in a single issuer is referred to as concentration of credit risk. GASB Statement 40 requires disclosure of any issuer with which more than five percent of total investments are held. More than five percent of the university's investments are in the Federal Home Loan Banks (FHLB). These comprise 6% of the university's total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

Additionally, the university's investment policy requires that each individual portfolio within all three tiers' allocations be diversified as specified in the contracts with each investment manager. The limitation shall not apply to securities of the U.S. Government, an agency thereof, U.S. Government sponsored enterprises, securities fully insured or fully guaranteed by the U.S. Government, or money market funds.

Interest rate risk – This is the risk that interest rate changes will adversely affect the fair value of an investment. GASB Statement 40 requires disclosure of maturities for any investments subject to interest rate risk. The university's Policy Governing the Investment of University Funds establishes three investment categories, Educational and General Funds and Working Capital, managed by external investment firms, and Strategic Investments managed by the foundation. Education and General Funds are short-duration and the university's primary liquidity and Working Capital is longer-duration and secondary liquidity. Strategic Investments are long-duration investments and not considered operating liquidity. The maximum maturity and duration limits are specified in the terms and conditions of the contract with each investment manager.

Foreign currency risk – This risk refers to the possibility that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The university had no foreign investments or deposits for 2024.

Cash and Cash Equivalents

Cash deposits held by the university are maintained in accounts that are collateralized in accordance with the *Virginia Security for Public Deposits Act*, Section 2.2-4400, et seq., *Code of Virginia*. Cash and cash equivalents represent cash with the treasurer, cash on hand, certificates of deposit, and temporary investments with original maturities of 90 days or less, and cash equivalents with the Virginia State Non-Arbitrage Program (SNAP®). SNAP® offers a professionally-managed money market mutual fund, which provides a temporary pooled investment vehicle for proceeds pending expenditure, as well as record keeping, depository, and arbitrage rebate calculations. SNAP® complies with all standards of GASB Statement 79, *Certain External Investment Pools and Pool Participants.* SNAP® investments are reported using the net asset value per share, which is calculated on an amortized cost basis that provides a net asset value (NAV) per share that approximates fair value. Cash and cash equivalents reporting requirements are defined by GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting.*

Investments

A categorization of university investments follows. Short-term investments have an original maturity of over 90 days but less than or equal to one year. Long-term investments have an original maturity greater than one year.

Summary of investments
As of June 30, 2024
(all dollars in thousands)

	Current Assets	Noncurrent Assets	Total
Cash and cash equivalents	$ 294,542	$ 70,123	$ 364,665
Short-term investments	-	315	315
Long-term investments	-	958,199	958,199
Cash and investments	$ 294,542	$ 1,028,637	1,323,179
Less cash			16,482
Total investments			$ 1,306,697

The investment policy of the university is established by the board of visitors and monitored by the board's Finance and Resource Management Committee. Authorized investments are set forth in the *Investment of Public Funds Act*, Section 2.2-4500 through 2.2-4516, et seq., *Code of Virginia*. Authorized investments include: U.S. Treasury and agency securities, corporate debt securities, asset-backed securities, mortgage-backed securities, AAA rated obligations of foreign governments, banker's acceptances and bank notes, negotiable certificates of deposit, repurchase agreements, commercial paper, and money market funds.

All gifts, local funds, and nongeneral fund reserves and balances that the university determines appropriate and permitted by law may be invested in accordance with the provisions of the *Virginia Uniform Prudent Management of Institutional Funds Act.* These investments include those in the VTF Consolidated Endowment Program which are further managed by the foundation's investment and spending policies.

At the end of fiscal year 2024, the university held $14.7 million of nonexpendable restricted endowments which had net appreciation of $129,000 and is reported on the *Statement of Net Position* in the following categories: Restricted expendable for research ($121,000), Restricted expendable for instruction ($5,000), and Unrestricted ($3,000).

Investments Measured at Fair Value including categorization of credit quality and interest rate risk

Investments held on June 30, 2024

(all dollars in thousands)

	Credit Rating	Less than 1 Year	1-5 Years	6/30/2024	Fair Value Measurement* Level 1	Fair Value Measurement* Level 2
Investments by fair value level						
U.S. Treasury and Agency securities [1]	N/A	$ 226,855	$ 37,632	$ 264,487	$ 264,487	$ -
Debt securities						
Corporate bonds and notes	A1	20,241	15,540	35,781	-	35,781
Corporate bonds and notes	A2	13,277	12,164	25,441	-	25,441
Corporate bonds and notes	A3	5,350	22,536	27,886	-	27,886
Corporate bonds and notes	Aa2	3,160	-	3,160	-	3,160
Corporate bonds and notes	Aa3	-	1,499	1,499	-	1,499
Corporate bonds and notes	Aaa	-	4,252	4,252	-	4,252
Corporate bonds and notes	Baa1	-	595	595	-	595
Repurchase agreements	N/A	13,582	-	13,582	-	13,582
Asset backed securities	Aaa	22,997	37,129	60,126	-	60,126
Asset backed securities [2]	AAA	14,461	33,473	47,934	-	47,934
Asset backed securities	NR	3,203	-	3,203	-	3,203
Federal agency securities						
Unsecured bonds and notes	Aaa	90,223	25,456	115,679	-	115,679
Mortgage backed securities	Aaa	1,939	20,177	22,116	-	22,116
Money market and mutual funds						
Money market funds	N/A	168	-	168	168	-
Mutual funds	N/A	5,040	-	5,040	5,040	-
Total investments by fair value level		420,496	210,453	630,949	$ 269,695	$ 361,254
Investments measured at net asset value (NAV)						
Deposits with VTF		5,607	-	5,607		
Dairymen's Equity w/o specific maturity		-	-	63		
Investments w/o specific maturities, held with VTF		-	-	605,834		
Total investments measured at NAV		5,607	-	611,504		
Investments not measured at fair value						
Money market funds	AAA-mf	52,088	-	52,088		
Virginia SNAP® funds [2]	AAAm	12,156	-	12,156		
Total investments not measured at fair value		64,244	-	64,244		
Total investments		$ 490,347	$ 210,453	$ 1,306,697		

**Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.*

(1) Credit quality ratings are not required for U.S. Government securities that are explicitly guaranteed by the U.S. Government.
(2) Rating provided by Standard & Poor's Financial Services. All other ratings provided by Moody's Investor Service.

Investments measured at NAV are as follows:	Balance at 6/30/2024	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Deposits with VTF [a]	$ 5,607	N/A	quarterly	90 days
Dairymen's Equity without specific maturity [b]	$ 63	N/A	N/A	N/A
Investments without specific maturities, held with VTF [c]	$ 605,834	N/A	quarterly	90 days

(a) The amount represents earnings that are to be transferred to the university or reinvested upon instruction.
(b) The amount represents the university's membership in the Dairymen's Farmer Cooperative.
(c) The amount represents university funds invested with the Virginia Tech Foundation (see Note 27).

5. Accounts Receivable

Accounts receivable as of June 30, 2024
(all dollars in thousands)

Current receivables		
Grants and contracts	$	81,941
Student tuition and fees		5,591
Accrued investment interest		3,944
Federal appropriations		31
Long-term leases receivable		111
Auxiliary enterprises and other operating activities		28,782
Total current receivables before allowance		120,400
Less allowance for doubtful accounts		2,896
Net current accounts receivable		117,504
Noncurrent receivables		
Capital gifts, grants, and other receivables		7,707
Long-term leases receivable		1,989
Accrued investment interest		717
Build America Bond interest receivable		108
Total noncurrent receivables		10,521
Total receivables	$	128,025

Long-term leases receivable

Leases receivable represent the university's contractual receipts for the right-to-use the present service capacity of its assets. These receivables are for cell tower leases on the Blacksburg main campus. The university's lease agreements for cell towers typically have an initial term of 10 years with five-year renewal options. The weighted average discount rate on the university's receivable leases is 3.60%.

The university leases indirectly to cell carriers through a ground lease with a subsidiary of the foundation and directly with cell carriers. The university's present receivable portfolio does not contain provisions for variable payments based on the university's future performance or usage of the underlying assets. Additionally, university's present receivable portfolio does not contain provisions for residual value guarantees. The university had no impairment losses on its lease receivable portfolio in fiscal year 2024.

Future Lease Payments Receivable
For fiscal years subsequent to 2024
(all dollars in thousands)

	Principal	Interest	Total
2025	$ 111	$ 73	$ 184
2026	118	69	187
2027	127	65	192
2028	135	61	196
2029	116	57	173
2030-2034	607	225	832
2035-2039	367	129	496
2039-2044	245	80	325
2045-2049	274	25	299
Total future payments receivable	$ 2,100	$ 784	$ 2,884

6. Notes Receivable

Notes receivable consists of the following as of June 30, 2024
(all dollars in thousands)

Current notes receivable		
VTT LLC operating and equipment loan	$	246
Brookings student loan programs		138
Other short-term loans		67
Total current notes receivable		451
Less allowance for doubtful accounts		20
Net current notes receivable		431
Noncurrent notes receivable		
VTT LLC operating and equipment loan		4,106
VT ARC line of credit		2,376
Brookings student loan programs		849
Health Professional student loan program		628
Other short-term loans		214
Total noncurrent notes receivable		8,173
Less allowance for doubtful accounts		127
Net noncurrent notes receivable		8,046
Total notes receivable	$	8,477

Photo by Luke Hayes/Virginia Tech

7. Capital Assets

A summary of changes in capital assets for the year ending June 30, 2024
(all dollars in thousands)

	Beginning Balance (restated) Note 1	Additions	Retirements	Ending Balance
Depreciable capital assets				
Buildings	$ 2,439,326	$ 189,491	$ 26,916	$ 2,601,901
Buildings - financed purchase	13,952	-	-	13,952
Moveable equipment	812,246	98,884	39,438	871,692
Capitalized software and other intangible assets	40,078	3,246	3,925	39,399
Fixed equipment	179,207	10,335	1,559	187,983
Fixed equipment - financed purchase	659	-	-	659
Infrastructure	146,556	5,702	-	152,258
Library books	79,305	646	76	79,875
Right-to-use intangible assets				
Land	4,442	-	-	4,442
Buildings	260,404	10,242	1,017	269,629
Equipment	2,218	-	2,145	73
Infrastructure	181	-	-	181
Subscription-based IT arrangements	29,472	9,448	863	38,057
Total depreciable capital assets, at cost	4,008,046	327,994	75,939	4,260,101
Less accumulated depreciation and amortization				
Buildings	851,780	62,675	12,986	901,469
Buildings - financed purchase	5,232	581	-	5,813
Moveable equipment	566,616	63,669	37,226	593,059
Capitalized software and other intangible assets	32,975	3,370	3,826	32,519
Fixed equipment	107,139	7,613	995	113,757
Fixed equipment - financed purchase	247	-	-	247
Infrastructure	112,992	3,235	-	116,227
Library books	74,689	816	76	75,429
Right-to-use intangible assets				
Land	613	236	-	849
Buildings	46,049	23,587	903	68,733
Equipment	1,615	560	2,145	30
Infrastructure	92	31	-	123
Subscription-based IT arrangements	9,501	8,610	863	17,248
Total accumulated depreciation and amortization	1,809,540	174,983	59,020	1,925,503
Total depreciable capital assets, net of accumulated depreciation and amortization	2,198,506	153,011	16,919	2,334,598
Non-depreciable capital assets				
Land	49,652	540	1,920	48,272
Livestock	392	140	-	532
Equipment in process	17,452	13,224	16,743	13,933
Construction in progress	419,109	264,454	193,078	490,485
Lease renovation in progress	-	28	-	28
Subscription-based IT arrangements in development	-	51	-	51
Total non-depreciable capital assets	486,605	278,437	211,741	553,301
Total capital assets, net of accumulated deprecation and amortization	$ 2,685,111	$ 431,448	$ 228,660	$ 2,887,899

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2024
(all dollars in thousands)

Accounts payable	$ 45,437
Accounts payable, capital projects	29,900
Accrued salaries and wages payable	99,870
Retainage payable	18,261
Total current accounts payable and accrued liabilities	$ 193,468

Retainage payable represents funds held by the university as retainage on various construction contracts for work performed. Funds retained will be remitted as agreed upon satisfactory completion of the projects.

9. Unearned Revenue

Unearned revenue consists of the following at June 30, 2024
(all dollars in thousands)

Grants and contracts	$ 24,485
Prepaid tuition and fees	11,603
Prepaid athletic events	14,769
Other, primarily auxiliary enterprises	6,092
Total unearned revenue	$ 56,949

10. Commonwealth Capital Reimbursement Programs and Capital Gifts

The commonwealth has established several programs to provide state-supported institutions of higher education with bond proceeds for financing the acquisition and replacement of instructional and research equipment and facilities. During fiscal year 2024, funding has been provided to the university from three programs (21st Century program, Central Maintenance Reserve program, and the Equipment Trust Fund program) managed by the Virginia College Building Authority (VCBA). The VCBA issues bonds and uses the proceeds to reimburse the university and other institutions of higher education for expenses incurred in the acquisition of equipment and facilities. The university also receives capital funding for equipment and facilities from private gifts, grants, and contracts.

The *Statement of Revenues, Expenses, and Changes in Net Position* includes the amounts listed below for the year ended June 30, 2024, in "Capital Grants and Gifts" line item for equipment and facilities. Part of the funding for these programs is a receivable from the commonwealth at June 30, 2024 as shown in the subsequent paragraph *(all dollars in thousands)*:

VCBA 21st Century program	$	74,760
VCBA Equipment Trust Fund program		15,680
Private gifts		12,072
Grants and contracts		3,152
	$	105,664

The line items, "Due from the Commonwealth of Virginia", on the *Statement of Net Position* for the year ended June 30, 2024, include pending reimbursements from the following programs *(all dollars in thousands)*:

	Current		Noncurrent	
VCBA Equipment Trust Fund program	$	15,525	$	-
Capital appropriations		-		104,677
VCBA 21st Century program		-		2,505
	$	15,525	$	107,182

11. Short-term Debt

In August of 2021, the Virginia Tech Board of Visitors authorized the university to issue its own commercial paper on a tax-exempt or taxable basis in an aggregate principal amount of up to $175 million. J.P. Morgan is the university's dealer and BNY Investments is the issuing and paying agent. This short-term debt finances capital projects on an interim basis pending long-term bond financing.

At June 30, 2024, the amount outstanding was $5,986,000. The days-to-maturity is nine days with an interest rate of 5.48%.

	Beginning Balance		Additions		Reductions		Ending Balance	
Taxable	$	6,813	$	72,319	$	73,146	$	5,986

12. Summary of Long-term Indebtedness

Bonds Payable

The university has issued two categories of bonds pursuant to Article X, Section 9, Constitution of Virginia.

Section 9(d) bonds are revenue bonds which are limited obligations of the university, payable exclusively from pledged general revenues, and which are not legal or moral debts of the Commonwealth of Virginia. Pledged general revenues include general fund appropriations, student tuition and fees, facilities and administrative (indirect) cost recoveries, auxiliary enterprise revenues, and other revenues not required by law to be used for another purpose. The university has issued section 9(d) bonds directly through underwriters and also participates in the Public Higher Education Financing Program (Pooled Bond Program) created by the Virginia General Assembly in 1996. Through the Pooled Bond Program, the Virginia College Building Authority (VCBA) issues section 9(d) bonds with the proceeds used to purchase debt obligations (notes) of the university and other institutions of higher education. The notes are secured by pledged general revenues of the university.

Section 9(c) bonds are general obligation revenue bonds issued by the Commonwealth of Virginia on behalf of the university and secured by the net revenues of the completed project and the full faith, credit, and taxing power of the Commonwealth of Virginia.

Bond covenants related to some of these bonds, both 9(c) and 9(d), require the use of established groups of funds called systems. The Virginia Tech Foundation Inc. and investment firms BNY Investments and Merganser Capital Management hold these funds in trust for managing the net revenues and debt service of certain university auxiliaries. The revenue bonds issued by the Dormitory and Dining Hall System, the Athletic Facilities System, the University Services System (includes Career and Professional Development, Center for the Arts, Health Services, Recreational Sports, Student Engagement and Campus Life, Cultural and Community Centers, Student Organizations, and the VT Rescue Squad), and the Utility System (includes Virginia Tech Electric Service) are secured by a pledge of each system's net revenues generated from student or customer fees, and are further secured by the pledged general revenues of the university.

Notes Payable

Notes payable are debt obligations between VCBA and the university. VCBA issues bonds through the Pooled Bond Program and uses the proceeds to purchase debt obligations (notes) on behalf of the university. The notes are secured by the pledged general revenues of the university.

Finance Purchase Obligation

The university has a finance purchase obligation with the Virginia Tech Foundation Inc. for the Kentland Farm dairy complex. Under the terms of the lease agreement, ownership of the property will be transferred to the university at the end of the lease. The university accounted for the financed purchases as additions to capital assets in the year of the agreement and recorded a corresponding finance purchase obligation in long-term debt, both of which are included in the *Statement of Net Position* as of June 30, 2024.

Revolving Lines of Credit

The university has executed revolving lines of credit with Truist Bank ($308,000,000), Wells Fargo Bank N.A. ($35,000,000), and The First Bank and Trust Company ($30,000,000). The agreement with Truist Bank includes a standby liquidity support agreement to provide a revolving line of credit as liquidity to support the university's commercial paper program with a maximum principal amount of $175,000,000. As of June 30, 2024, the maximum principal amount available was $373,000,000 and there were no advances outstanding on these revolving lines of credit.

Long-term Debt Payable Activity
As of June 30, 2024
(all dollars in thousands)

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Bonds payable					
Section 9(c) general obligation revenue bonds	$ 262,391	$ 4,436	$ 20,638	$ 246,189	$ 15,695
Section 9(d) revenue bonds	79,001	-	4,658	74,343	4,870
Notes payable	255,822	-	14,436	241,386	15,575
Finance purchase obligations	10,560	-	515	10,045	530
Total long-term debt payable	$ 607,774	4,436	40,247	$ 571,963	$ 36,670
Less current year debt defeasance		4,436	4,841		
Total additions and retirements, net of current year defeasance		$ -	$ 35,406		

Future Principal Commitments
For fiscal years subsequent to 2024
(all dollars in thousands)

	Section 9(c) Bonds	Section 9(d) Bonds	Notes Payable	Finance Purchase Obligations	Total Long-term Debt Payable
2025	$ 15,695	$ 4,870	$ 15,575	$ 530	$ 36,670
2026	16,897	4,745	15,805	560	38,007
2027	17,581	4,910	15,495	585	38,571
2028	16,791	5,055	14,865	605	37,316
2029	15,840	5,170	15,200	640	36,850
2030 - 2034	56,845	28,130	63,755	3,630	152,360
2035 - 2039	51,515	14,915	41,865	3,495	111,790
2040 - 2044	26,275	4,540	22,445	-	53,260
2045 - 2049	7,340	-	15,950	-	23,290
2050 - 2053	5,315	-	5,600	-	10,915
Unamortized premiums (discounts)	16,095	2,008	14,831	-	32,934
Total future principal requirements	$ 246,189	$ 74,343	$ 241,386	$ 10,045	$ 571,963

Future Interest Commitments
For fiscal years subsequent to 2024
(all dollars in thousands)

	Section 9(c) Bonds	Section 9(d) Bonds	Notes Payable	Finance Purchase Obligations	Total Long-term Debt Payable
2025	$ 8,735	$ 2,037	$ 8,152	$ 441	$ 19,365
2026	8,071	1,899	7,666	414	18,050
2027	7,346	1,741	7,161	386	16,634
2028	6,575	1,600	6,637	366	15,178
2029	5,977	1,478	6,077	335	13,867
2030 - 2034	22,175	5,117	22,684	1,237	51,213
2035 - 2039	13,200	1,338	12,714	399	27,651
2040 - 2044	5,264	116	6,391	-	11,771
2045 - 2049	2,420	-	2,552	-	4,972
2050 - 2053	540	-	459	-	999
Total future interest requirements	$ 80,303	$ 15,326	$ 80,493	$ 3,578	$ 179,700

Future Principal Commitments by System
For fiscal years subsequent to 2024
(all dollars in thousands)

	Section 9(c) Bonds	Section 9(d) Bonds	Notes Payable	Finance Purchase Obligations	Total Long-term Debt Payable
Athletic system					
Principal	$ -	$ 33,790	$ -	$ -	$ 33,790
Unamortized premiums (discounts)	-	(2)	-	-	(2)
Total for athletic system	-	33,788	-	-	33,788
Dormitory and dining hall system					
Principal	186,055	33,660	16,535	-	236,250
Unamortized premiums (discounts)	13,465	1,900	1,089	-	16,454
Total for dormitory and dining hall system	199,520	35,560	17,624	-	252,704
Electric service utility system					
Principal	-	2,820	-	-	2,820
Unamortized premiums (discounts)	-	84	-	-	84
Total for utility system	-	2,904	-	-	2,904
University services system					
Principal	-	2,065	78,630	-	80,695
Unamortized premiums (discounts)	-	26	5,134	-	5,160
Total for university services system	-	2,091	83,764	-	85,855
All systems					
Principal	186,055	72,335	95,165	-	353,555
Unamortized premiums (discounts)	13,465	2,008	6,223	-	21,696
Total for all systems	199,520	74,343	101,388	-	375,251
Other nonsystem debt					
Principal	44,039	-	131,390	10,045	185,474
Unamortized premiums (discounts)	2,630	-	8,608	-	11,238
Total for other nonsystem debt	46,669	-	139,998	10,045	196,712
Total future principal requirements	$ 246,189	$ 74,343	$ 241,386	$ 10,045	$ 571,963

13. Detail of Long-term Indebtedness

As of June 30, 2024
(all dollars in thousands)

	Interest Rates	Maturity	Principal Payable	Unamortized Premium (Discount)	Ending Balance
Bonds Payable					
Revenue bonds - Section 9(d)					
Athletic system					
Series 2015B, issued $510	2.50% - 3.50%	2035	$ 510	$ (2)	$ 508
Series 2021, issued $40	2.15%	2036	40	-	40
Series 2021, issued $21,825 - refunding 2012B note payable	0.70% - 2.55%	2041	20,755	-	20,755
Series 2021, issued $7,055 - refunding 2010B note payable	0.70% - 2.55%	2041	6,710	-	6,710
Series 2021, issued $6,075 - refunding 2016A note payable	0.70% - 2.55%	2041	5,775	-	5,775
Total athletic system			33,790	(2)	33,788
Dormitory and dining hall system					
Series 2015A, issued $51,425	3.00% - 5.00%	2035	33,660	1,900	35,560
Electric service utility system					
Series 2015D, issued $4,390	2.75% - 4.00%	2035	2,820	84	2,904
University services system					
Recreational Sports auxiliary					
Series 2015C, issued $3,280	2.75% - 3.50%	2035	2,065	26	2,091
Total revenue bonds			72,335	2,008	74,343
General obligation revenue bonds - Section 9(c)					
Dormitory and dining hall system					
Series 2024B, issued $2,836 - refunding series 2013B	5.00%	2027	2,836	107	2,943
Series 2024B, issued $1,294 - refunding series 2013B	5.00%	2027	1,294	49	1,343
Series 2015B, issued $10,671 - partial refunding series 2008B	5.00%	2028	4,955	706	5,661
Series 2016B, issued $24,200 - partial refunding series 2009B	2.00% - 5.00%	2029	13,530	1,851	15,381
Series 2016B, issued $2,310 - partial refunding series 2009B	2.00% - 5.00%	2029	1,290	177	1,467
Series 2010A, issued $34,650	3.75% - 4.40%	2030	12,715	197	12,912
Series 2020B, issued $13,070 - refunding series 2011A	0.55% - 1.41%	2031	10,415	32	10,447
Series 2020A, issued $84,305	1.63% - 4.00%	2040	74,350	6,525	80,875
Series 2022A, issued $40,100	4.13% - 5.00%	2042	40,100	2,356	42,456
Series 2022A, issued $25,405	4.13% - 5.00%	2042	24,570	1,465	26,035
Total dormitory and dining hall system			186,055	13,465	199,520
Other nonsystem general obligation revenue bonds					
Parking facilities					
Series 2024B, issued $94 - refunding series 2013B	5.00%	2026	94	2	96
Series 2015B, issued $921 - partial refunding series 2008B	5.00%	2028	420	61	481
Series 2010A, issued $745	3.75% - 4.40%	2030	265	4	269
Series 2016B, issued $18,890 - partial refunding series 2009B	2.00% - 5.00%	2034	13,885	1,350	15,235
Series 2022A, issued $29,375	4.13% - 5.00%	2052	29,375	1,213	30,588
Total other nonsystem general obligation revenue bonds			44,039	2,630	46,669
Total general obligation revenue bonds			230,094	16,095	246,189
Total bonds payable			$ 302,429	$ 18,103	$ 320,532
Notes Payable					
Dormitory and dining hall system					
Series 2014B, issued $340 - partial refunding series 2005	4.00%	2026	$ 205	$ 7	$ 212
Series 2021B, issued $795 - partial refunding series 2012A	0.48% - 0.94%	2028	610	-	610
Series 2010A, issued $9,650	4.75% - 5.50%	2031	4,300	153	4,453
Series 2021A, issued $980 - partial refunding series 2010A	2.00% - 3.00%	2033	980	84	1,064
Series 2018A, issued $11,505	4.00% - 5.00%	2039	9,595	845	10,440
Series 2021B, issued $845 - partial refunding series 2018A	2.50% - 2.60%	2041	845	-	845
Total dormitory and dining hall system			16,535	1,089	17,624
University services system					
Career Services auxiliary					
Series 2021A, issued $600 - refunding series 2010B	5.00%	2025	305	18	323
Center for the Arts auxiliary					
Series 2010A, issued $19,445	4.75% - 5.60%	2036	11,715	303	12,018
Series 2021A, issued $1,530 - partial refunding series 2010A	2.00%	2038	1,530	46	1,576
Series 2021B, issued $15,655 - refunding series 2011A	0.48% - 2.40%	2039	14,705	3	14,708
Health Services and Recreational Sports auxiliaries					
Series 2015B, issued $800 - partial refunding series 2009A	3.00% - 5.00%	2029	490	51	541
Series 2016A, issued $7,945 - partial refunding series 2009B	3.00% - 5.00%	2030	5,150	702	5,852
Series 2016A, issued $2,780 - partial refunding series 2009B	3.00% - 5.00%	2030	1,805	246	2,051
Series 2021B, issued $175 - partial refunding series 2015B	1.33% - 1.53%	2031	175	-	175
Series 2021B, issued $1,510 - partial refunding series 2016A	1.53% - 1.71%	2032	1,510	-	1,510
Series 2021B, issued $530 - partial refunding series 2016A	1.53% - 1.71%	2032	530	-	530
Series 2023A, issued $40,715	4.00% - 5.00%	2048	40,715	3,765	44,480
Total university services system			78,630	5,134	83,764
Other nonsystem notes payable					
Boiler pollution controls					
Series 2016A, issued $375 - partial refunding series 2006A	3.00%	2027	375	11	386
Series 2021B, issued $235 - partial refunding series 2014B	0.94% - 1.13%	2029	235	-	235

	Interest Rates	Maturity	Principal Payable	Unamortized Premium (Discount)	Ending Balance
Notes Payable, continued					
Campus heating plant					
Series 2014B, issued $1,790 - partial refunding series 2007A	4.00% - 5.00%	2026	515	57	572
Series 2016A, issued $575 - partial refunding series 2007A	3.00% - 5.00%	2028	575	39	614
Series 2016A, issued $3,625 - partial refunding series 2009B	3.00% - 5.00%	2030	2,355	320	2,675
Series 2021B, issued $485 - partial refunding series 2014B	1.13% - 1.33%	2030	485	-	485
Series 2021B, issued $690 - partial refunding series 2016A	1.53% - 1.71%	2032	690	-	690
Chiller plant					
Series 2021B, issued $5,315 - refunding series 2011A	0.48% - 1.91%	2034	4,825	1	4,826
Corps Leadership and Military Sciences Building					
Series 2023A, issued $28,600	4.00% - 5.00%	2053	28,600	2,702	31,302
Data and Decision Sciences Building					
Series 2023A, issued $8,850	4.00% - 5.00%	2043	8,615	1,064	9,679
Goodwin Hall					
Series 2021B, issued $8,320 - partial refunding series 2011A	0.48% - 1.71%	2032	7,380	3	7,383
Hitt Hall					
Series 2023A, issued $11,065	4.00% - 5.00%	2043	11,065	1,362	12,427
Holden Hall					
Series 2019A, issued $7,920	2.25% - 5.00%	2040	6,845	653	7,498
Holtzman Alumni Center and Skelton Conference Center					
Series 2021B, issued $10,840 - refunding series 2012A	0.48% - 1.81%	2033	9,540	3	9,543
ICTAS II					
Series 2016A, issued $8,345 - partial refunding series 2009B	3.00% - 5.00%	2030	5,410	737	6,147
Innovation Campus					
Series 2023A, issued $4,995	4.00% - 5.00%	2053	4,995	344	5,339
Kelly Hall					
Series 2016A, issued $3,180 - partial refunding series 2006A	3.00%	2027	3,180	94	3,274
Life Sciences I Facility					
Series 2021B, issued $1,235 - partial refunding series 2012A	0.48%	2025	585	1	586
Series 2014B, issued $1,005 - partial refunding series 2005	4.00%	2026	615	20	635
Steger Hall					
Series 2021A, issued $6,785 - refunding series 2010B	5.00%	2030	5,975	1,036	7,011
Veterinary medicine instruction addition					
Series 2021B, issued $6,355 - partial refunding series 2012B	0.48% - 1.81%	2033	5,825	2	5,827
Virginia Tech Carilion biosciences addition					
Series 2017A and 2017B, issued $24,630	2.75% - 3.30%	2038	19,440	122	19,562
Series 2018B, issued $3,965	3.54% - 5.00%	2039	3,265	37	3,302
Total other nonsystem notes payable			131,390	8,608	139,998
Total notes payable			$ 226,555	$ 14,831	$ 241,386
Finance Purchase Obligation - Kentland Farm dairy complex			$ 10,045	$ -	$ 10,045

14. Long-term Debt Defeasance

Current Year

The university and the Commonwealth of Virginia, on behalf of the university, issued $4,429,000 of 9(c) general obligations bonds to refund $4,500,000 of 9(c) general obligation bonds during fiscal year 2024. The resulting net gain of $71,000 will be amortized over the life of the new debt. For financial reporting purposes, these bonds are considered an in-substance defeasance and have therefore been removed from the long-term debt payable presented in the *Statement of Net Position*. The assets in escrow have similarly been excluded. The details of each refunded debt issue are presented below.

Long-term Debt Defeasance
Debt issues refunded as of June 30, 2024
(all dollars in thousands)

	Debt Refunded	Refunding Debt Issued	Accounting Gain (Loss)	Present Value Rate	Reduction in Debt Service	Reduction in Debt Service Discounted at Present Value
Section 9(c) general obligation revenue bonds						
Series 2024B, issued $94	$ 97	$ 94	$ 3	2.87%	$ 2	$ 2
Series 2024B, issued $1,294	1,342	1,294	48	2.87%	37	35
Series 2024B, issued $2,836	2,943	2,836	107	2.87%	83	79
Premiums (Discounts)	459	212	247			
Other accounting activity related to debt refunding	(341)	(7)	(334)			
Total for 9(c) general obligation revenue bonds	$ 4,500	4,429	$ 71		$ 122	$ 116
Debt issuance costs		7				
Total refunding debt issued		$ 4,436				

14. Long-term Debt Defeasance, continued

Prior Years

In prior fiscal years, the university excluded from its financial statements the assets in escrow and the debt payable which were defeased in-substance in accordance with GASB Statement 7, *Advance Refundings Resulting in the Defeasance of Debt*. For the year ending June 30, 2024, there were $3,490,000 in bonds and notes outstanding considered defeased.

GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, reclassifies losses and gains on defeased debt to deferred outflows of resources or deferred inflows of resources, respectively. The tables below provide detail on the unamortized gains and losses included in the deferred outflows of resources and deferred inflows of resources by bond category for defeased outstanding debt from prior years.

Deferred Outflows for Debt Defeasance
As of June 30, 2024
(all dollars in thousands)

	Beginning Balance	Additions	Retirements	Ending Balance
Bonds payable				
Section 9(c) general obligation revenue bonds	$ 1,259	$ -	$ 618	$ 641
Section 9(d) revenue bonds	554	-	83	471
Notes payable	1,608	-	290	1,318
Total deferred outflows for debt defeasance	$ 3,421	$ -	$ 991	$ 2,430

Deferred Inflows for Debt Defeasance
As of June 30, 2024
(all dollars in thousands)

	Beginning Balance	Additions	Retirements	Ending Balance
Bonds payable				
Section 9(c) general obligation revenue bonds	$ 383	$ 71	$ 68	$ 386
Section 9(d) revenue bonds	138	-	35	103
Notes payable	835	-	110	725
Total deferred inflows for debt defeasance	$ 1,356	$ 71	$ 213	$ 1,214

15. Long-term Leases Payable

Long-term leases represent the university's obligation to pay owners for the right to use the present service capacity of their assets. These obligations are primarily for leases of facilities, such as office space in the North End Center and Gilbert Place buildings, the North End Center parking garage, space in the Children's National Hospital, and various office and laboratory spaces in the Virginia Tech Corporate Research Center. The university's lease agreements for facilities typically range from 3-20 years, with renewal options equal to the base term appearing more frequently in the university's 3-5-year lease agreements. The university utilizes stated or implicit rates when determinable, otherwise the university uses its incremental borrowing rate to discount lease payments. The weighted-average remaining lease term on the university's leases is 14.0 years with a weighted-average discount rate of 3.53%.

The university's leases are primarily with the foundation and its subsidiaries. Several of the university's leases with the foundation operate on a non-profit basis, in which the rent owed is trued up at regular intervals to ensure cost-only rent. These agreements make up the majority of the university's 20-year leases. The university's long-term lease portfolio does not contain provisions for variable payments based on the university's future performance or usage of the underlying assets. Additionally, university's long-term lease portfolio does not contain provisions for residual value guarantees. The university had no impairment losses on its long-term lease portfolio in fiscal year 2024. The university has two commitments totaling $0.7 million commencing in fiscal year 2025.

Long-Term Leases Payable Activity
As of June 30, 2024
(all dollars in thousands)

	Beginning Balance *(restated)* Note 1	Additions	Retirements	Terminations	Ending Balance	Current Portion
Land	$ 2,851	$ -	$ 265	$ -	$ 2,586	$ 205
Building	197,914	8,769	19,407	111	187,165	19,891
Equipment	635	-	611	-	24	24
Infrastructure	93	-	31	-	62	32
Total long-term leases payable	$ 201,493	$ 8,769	$ 20,314	$ 111	$ 189,837	$ 20,152

15. Long-term Leases Payable, continued

Future Principal Commitments
For fiscal years subsequent to 2024
(all dollars in thousands)

	Land	Building	Equipment	Infrastructure	Total
2025	$ 205	$ 19,891	$ 24	$ 32	$ 20,152
2026	211	18,915	-	30	19,156
2027	187	18,301	-	-	18,488
2028	186	14,526	-	-	14,712
2029	196	13,146	-	-	13,342
2030-2034	954	44,536	-	-	45,490
2035-2039	327	37,409	-	-	37,736
2040-2044	51	16,510	-	-	16,561
2045-2049	70	2,828	-	-	2,898
2050-2054	95	1,103	-	-	1,198
2055-2059	104	-	-	-	104
Total future principal requirements	$ 2,586	$ 187,165	$ 24	$ 62	$ 189,837

Future Interest Commitments
For fiscal years subsequent to 2024
(all dollars in thousands)

	Land	Building	Equipment	Infrastructure	Total
2025	$ 86	$ 6,190	$ 1	$ 1	$ 6,278
2026	80	5,516	-	-	5,596
2027	73	4,861	-	-	4,934
2028	68	4,288	-	-	4,356
2029	61	3,848	-	-	3,909
2030-2034	207	14,452	-	-	14,659
2035-2039	75	7,117	-	-	7,192
2040-2044	49	1,828	-	-	1,877
2045-2049	40	419	-	-	459
2050-2054	26	33	-	-	59
2055-2059	9	-	-	-	9
Total future interest requirements	$ 774	$ 48,552	$ 1	$ 1	$ 49,328

16. Long-term Subscription-based Information Technology Arrangements Payable

Subscription-based information technology arrangements (SBITAs) represent the university's obligation to pay vendors for access to their information technology. The university's SBITAs typically range from 2-7 years, with renewal options ranging from 1-3 years. The university utilizes stated or implicit rates when determinable, otherwise the university uses its incremental borrowing rate to discount lease payments. The weighted-average remaining SBITA term on the university's SBITAs is 4.0 years with a weighted-average discount rate of 2.82%.

Some contracts in the university's SBITA portfolio contain provisions for variable payments based upon usage of the underlying assets or additional licenses. The university paid $0.6 million in variable payments during fiscal year 2024. The university had no impairment losses on its SBITA portfolio in fiscal year 2024. The university has no commitments for SBITAs commencing in fiscal year 2025.

Future Principal Commitments
As of June 30, 2024
(all dollars in thousands)

	Beginning Balance *(restated)* Note 1	Additions	Retirements	Terminations	Ending Balance	Current Portion
Long-term SBITAs payable	$ 18,071	$ 9,364	$ 8,196	$ -	$ 19,239	$ 6,499

Future Principal Commitments
For fiscal years subsequent to 2024
(all dollars in thousands)

2025	$ 6,499
2026	4,742
2027	3,137
2028	1,952
2029	1,459
2030	1,450
Total future principal payments	$ 19,239

Future Interest Commitments
For fiscal years subsequent to 2024
(all dollars in thousands)

2025	$ 342
2026	593
2027	244
2028	153
2029	91
2030	45
Total future interest payments	$ 1,468

17. Changes in Other Liabilities

A summary of the changes in other liabilities for the year ended June 30, 2024
(all dollars in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Accrued compensated absences	$ 60,726	$ 57,600	$ 54,514	$ 63,812	$ 39,655
Federal student loan program contribution refundable	1,343	-	673	670	-
Net pension liability	284,863	31,227	-	316,090	-
Other post employment benefits	142,712	-	160	142,552	2,607
Total other liabilities	$ 489,644	$ 88,827	$ 55,347	$ 523,124	$ 42,262

18. Capital Improvement Commitments

The amounts listed in the following tables represent the value of obligations remaining on capital improvement project contracts. These obligations are for future effort and as such have not been accrued as expenses or liabilities on the university's financial statements. Outstanding contractual commitments for capital improvement projects at June 30, 2024 *(all dollars in thousands)*:

Capital commitments by project

Randolph Hall replacement	$ 56,305
Innovation Campus	32,251
Undergraduate science laboratory building	6,143
Livestock and poultry research facility	4,785
New building for Pamplin College of Business	4,780
Student wellness improvements	4,612
ADA and code compliance improvements	1,842
Other projects	2,132
Total	$ 112,850

Capital commitments by funding source

Capital appropriations	$ 63,895
Private gifts	37,916
VCBA 21st Century bonds to be paid by the commonwealth	6,316
Auxiliary enterprise funds	4,630
Other funds	93
Total	$ 112,850

Photo by Lee Friesland/Virginia Tech

19. Pension Plans

Plan Descriptions

All full-time, salaried, permanent employees of state agencies are automatically covered by the VRS State Employee Retirement Plan (SERP) or the Virginia Law Officers' Retirement System (VaLORS) retirement plans upon employment, unless they are eligible faculty and choose to enroll in the optional retirement program described in Note 20. These plans are single employer plans treated as cost-sharing plans for financial reporting purposes. These plans are administered by the Virginia Retirement System (VRS or 'the System') along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees in the VRS State Employee Retirement Plan – Plan 1, Plan 2, and Hybrid; and two different benefit structures for covered employees in the VaLORS Retirement Plan – Plan 1 and Plan 2. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are described below.

Retirement Plan Provisions by Plan Structure

Plan 1

Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.

Plan 2

Same as Plan 1.

Hybrid Retirement Plan

The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.

- The defined benefit component is based on a member's age, service credit, and average final compensation at retirement using a formula.
- The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.
- In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

Eligible Members

Eligible Members – Plan 1

Employees are in Plan 1 if their membership date is before July 1, 2010, they were vested as of January 1, 2013, and they have not taken a refund. VRS Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Eligible Members – Plan 2

Employees are in Plan 2 if their membership date is on or after July 1, 2010, to December 31, 2013, and they have not taken a refund, or their membership date is prior to July 1, 2010, and they were not vested as of January 1, 2013. Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Eligible Members – Hybrid Plan

Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

- Full-time permanent, salaried state employees*
- Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.

*Some state employees are not eligible to participate in the Hybrid Retirement Plan. They include members of the Virginia Law Officers' Retirement System (VaLORS), and employees eligible for an optional retirement plan (ORP) who have prior service under Plan 1 or Plan 2. These employees must select Plan 1 or Plan 2 (as applicable) or the ORP plan.

Retirement Contributions

Retirement Contributions - Plan 1

State employees, excluding state elected officials, and optional retirement plan participants, contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payments.

Retirement Contributions - Plan 2

Same as Plan 1.

Retirement Contributions - Hybrid Plan

A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.

Service Credit

Service Credit - Plan 1

Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Service Credit - Plan 2

Same as Plan 1.

Service Credit - Hybrid Plan

Defined Benefit Component: Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Defined Contributions Component: Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

Vesting

Vesting - Plan 1

Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.

Vesting - Plan 2

Same as Plan 1.

Vesting - Hybrid Plan

Defined Benefit Component: Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.

Defined Contributions Component: Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.

- After two years, a member is 50% vested and may withdraw 50% of employer contributions.
- After three years, a member is 75% vested and may withdraw 75% of employer contributions.
- After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.

Distribution is not required, except as governed by law.

Calculating the Benefit

Calculating the Benefit - Plan 1

The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction factor is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.

Calculating the Benefit - Plan 2

See definition under Plan 1.

Calculating the Benefit - Hybrid Plan

Defined Benefit Component: See definition under Plan 1.

Defined Contribution Component: The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

Average Final Compensation

Average Final Compensation - Plan 1

A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.

Average Final Compensation - Plan 2

A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.

Average Final Compensation - Hybrid Plan

Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.

Service Retirement Multiplier

Service Retirement Multiplier - Plan 1

For SERP, the retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for VaLORS employees is 1.70% or 2.00%.

Service Retirement Multiplier - Plan 2

For SERP, same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013. The retirement multiplier for VaLORS employees is 2.00% applied to hazardous duty service and 1.70% applied to non-hazardous duty service and no supplement.

Service Retirement Multiplier - Hybrid Plan

Defined Benefit Component: SERP - The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. VaLORS - Not applicable.

Defined Contribution Component: Not applicable.

Normal Retirement Age

Normal Retirement Age - Plan 1

For SERP, age 65. For VaLORS, age 60.

Normal Retirement Age - Plan 2

For SERP, normal Social Security retirement age. For VaLORS, same as Plan 1.

Normal Retirement Age - Hybrid Plan

Defined Benefit Component: SERP - Same as Plan 2; VaLORS - Not applicable.

Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Earliest Unreduced Retirement Eligibility

Earliest Unreduced Retirement Eligibility - Plan 1

For SERP, age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. For VaLORS, age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.

Earliest Unreduced Retirement Eligibility - Plan 2

For SERP, normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90. For VaLORS, same as Plan 1.

Earliest Unreduced Retirement Eligibility - Hybrid Plan

Defined Benefit Component: SERP – Same as Plan 2; VaLORS - Not applicable.

Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Earliest Reduced Retirement Eligibility

Earliest Reduced Retirement Eligibility - Plan 1

For SERP, age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. For VaLORS, age 50 with at least five years of service credit.

Earliest Reduced Retirement Eligibility - Plan 2

For SERP, age 60 with at least five years (60 months) of service credit. For VaLORS, same as Plan 1.

Earliest Reduced Retirement Eligibility - Hybrid Plan

Defined Benefit Component: SERP – Same as Plan 2. For VaLORS - Not applicable.

Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Cost-of-Living Adjustment (COLA) in Retirement

Cost-of-Living Adjustment (COLA) in Retirement - Plan 1

The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.

Eligibility:

For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.

For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.

Exceptions to COLA Effective Dates:

The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:

- The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
- The member retires on disability.
- The member retires directly from short-term or long-term disability.
- The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.
- The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.

The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.

Cost-of-Living Adjustment (COLA) in Retirement - Plan 2

The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. Eligibility rules and exceptions are the same as Plan 1.

Cost-of-Living Adjustment (COLA) in Retirement - Hybrid Plan

Defined Benefit Component: The COLA is the same as Plan 2. The eligibility rules and exceptions are the same as Plan 1 and Plan 2.

Defined Contribution Component: Not applicable.

19. Pension Plans, continued

Disability Coverage

Disability Coverage - Plan 1

For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.

Disability Coverage - Plan 2

For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted. Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.

Disability Coverage - Hybrid Plan

State employees (including Plan 1 and Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VSDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.

Purchase of Prior Service

Purchase of Prior Service - Plan 1

Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior service credit counts toward vesting, eligibility for retirement, and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.

Purchase of Prior Service - Plan 2

Same as Plan 1.

Purchase of Prior Service - Hybrid Plan

Defined Benefit Component: Same as Plan 1, with the exception that Hybrid Retirement Plan members are ineligible for ported service.

Defined Contribution Component: Not applicable.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each state agency's contractually required contribution rate for the year ended June 30, 2024 was 14.46% of covered employee compensation for employees in the VRS State Employee Retirement Plan. For employees in the VaLORS Retirement Plan, the contribution rate was 24.60% of covered employee compensation. These rates were the final approved General Assembly rate which were based on an actuarially determined rates from an actuarial valuation as of June 30, 2021. The actuarially determined rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from Virginia Tech to the VRS State Employee Retirement Plan were $48,281,000 and $44,415,000 for the years ended June 30, 2024 and June 30, 2023, respectively. Contributions from Virginia Tech to the VaLORS Retirement Plan were $801,000 and $746,000 for the years ended June 30, 2024 and June 30, 2023, respectively. In June 2023, the commonwealth made a special contribution of approximately $73.0 million to SERP and $6.6 million to VaLORS. These special payments were authorized by Chapter 2 of the *Acts of Assembly of 2022, Special Session I*, as amended by Chapter 769, *2023 Acts of Assembly Reconvened Session*, and are classified as special employer contributions. Virginia Tech's proportionate share for the VRS State Employee Retirement Plan and for the VaLORS Retirement Plan are reflected in other non-operating revenue on the *Statement of Revenues, Expenses, and Changes in Net Position*.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2024, Virginia Tech reported a liability of $310,820,000 for its proportionate share of the VRS State Employee Retirement Plan Net Pension Liability and a liability of $5,270,000 for its proportionate share of the VaLORS Retirement Plan Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. Virginia Tech's proportion of the Net Pension Liability was based on Virginia Tech's actuarially determined employer contributions to the pension plans for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, Virginia Tech's proportion of the VRS State Employee Retirement Plan was 6.143% as compared to 6.172% at June 30, 2022. At June 30, 2023, Virginia Tech's proportion of the VaLORS Retirement Plan was 0.815% as compared to 0.748% at June 30, 2022.

For the year ended June 30, 2024, Virginia Tech recognized pension expense of $22,522,000 for the VRS State Employee Retirement Plan and $1,262,000 for the VaLORS Retirement Plan. Since there was a change in proportionate share between June 30, 2022 and June 30, 2023, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, Virginia Tech reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources *(all dollars in thousands):*

	SERP		VaLORS	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 30,191	$ 8,979	$ 116	$ -
Net difference between projected and actual earnings on pension plan investments	-	21,753	-	224
Change in assumptions	4,106	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	4,645	181	-
Employer contributions subsequent to the measurement date	48,281	-	801	-
Total	$ 82,578	$ 35,377	$ 1,098	$ 224

A total of $49,082,000 ($48,281,000 for SERP and $801,000 for VaLORS) reported as deferred outflows of resources related to pensions resulting from Virginia Tech's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows *(all dollars in thousands):*

Year ended June 30,	SERP	VaLORS
2025	$ (8,975)	$ 132
2026	$ (16,561)	$ (282)
2027	$ 23,669	$ 215
2028	$ 787	$ 8
2029	$ -	$ -

Actuarial Assumptions

VRS State Employee Retirement Plan (SERP)

The total pension liability for the VRS State Employee Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates (SERP)

Pre-Retirement:	Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years
Post-Retirement:	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females
Post-Disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years
Beneficiaries and Survivors:	Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females
Mortality Improvement:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the standard rates

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on the VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

VaLORS Retirement Plan

The total pension liability for the VaLORS Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50%
Salary increases, including inflation	3.50% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates (VaLORS)

Pre-Retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the standard rates

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

19. Pension Plans, continued

Net Pension Liability

The net pension liability (NPL) is calculated separately for each plan and represents that particular plan's total pension liability determined in accordance with GASB Statement 67, less that plan's fiduciary net position. As of June 30, 2023, NPL amounts for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan are as follows *(all dollars in thousands):*

	SERP	VaLORS
Total Pension Liability	$ 28,411,528	$ 2,577,980
Plan Fiduciary Net Position	23,351,827	1,931,061
Employers' Net Pension Liability (Asset)	$ 5,059,701	$ 646,919
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.19%	74.91%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement 67 in the System's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
Expected inflation			2.50%
Expected arithmetic nominal return*			8.25%

* The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14% including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by Virginia Tech for the VRS State Employee Retirement Plan and the VaLORS Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 102% of the actuarially determined contribution rate. From July 1, 2023, on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Virginia Tech's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents Virginia Tech's proportionate share of the VRS State Employee Retirement Plan (SERP) and the VaLORS Retirement Plan net pension liability using the discount rate of 6.75%, as well as what Virginia Tech's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate *(all dollars in thousands):*

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Virginia Tech's proportionate share of the VRS SERP Net Pension Liability	$ 517,952	$ 310,820	$ 137,465
Virginia Tech's proportionate share of the VaLORS Net Pension Liability	$ 8,057	$ 5,270	$ 2,994

Pension Plan Fiduciary Net Position

Detailed information about the VRS State Employee Retirement Plan's Fiduciary Net Position or the VaLORS Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

The amount of payables outstanding to the VRS State Employee Retirement Plan (SERP) and the VaLORS Retirement Plan at June 30, 2024, was approximately $2.8 million for legally required contributions into the plans.

20. Defined Contribution Plans

Optional Retirement Plans

Full-time faculty and certain administrative staff may participate in optional retirement plans as authorized by the *Code of Virginia* rather than the VRS retirement plan. These optional retirement plans are defined contribution plans offered through Teachers Insurance and Annuity Association of America – College Retirement Equities Fund (TIAA-CREF), and Fidelity Investments Tax-Exempt Services Company. There are two defined contribution plans. Plan 1 is for employees hired prior to July 1, 2010, and retirement benefits received are based upon the employer's 10.4 percent, plus net investment gains or losses. Plan 2 is for employees hired on or after July 1, 2010, and retirement benefits received are based upon the employer's 8.5 percent contribution and the employee's 5.0 percent contribution plus net investment gains or losses. Individual contracts issued under the plan provide for full and immediate vesting of both the university's and the employees' contributions. Total pension costs under this plan were approximately $41,518,000 for the year ended June 30, 2024. Contributions to the optional retirement plan were calculated using the base salary amount of approximately $456,073,000 for this fiscal year.

Deferred Compensation Plan

Employees of the university are employees of the Commonwealth of Virginia. State employees may participate in the commonwealth's deferred compensation plan. Participating employees can contribute to the plan each pay period with the commonwealth matching up to $20 per pay period. The dollar amount match can change depending on the funding available in the commonwealth's budget. The deferred compensation plan is a qualified defined contribution plan under Section 401(a) of the Internal Revenue Code. The university expense for matching contributions to this plan, which is an amount assessed by the commonwealth, was approximately $2,547,000 for the fiscal year 2024.

Federal Pension Plans

Certain Cooperative Extension Service (CES) professional employees are participants in the Federal Employee Retirement System (FERS). The FERS is a defined benefit plan in which benefits are based upon the highest base pay over any three consecutive years and the years of creditable service. The costs under this plan were approximately $68,000 for the year ended June 30, 2024. Contributions to FERS were calculated using the base salary amount of approximately $369,000 for the fiscal year 2024.

In addition, the university contributed $18,000 in employer contributions to the Thrift Savings Plan for the year ended June 30, 2024. The Thrift Savings Plan is a defined contribution plan in which the university matches employee contributions within certain limitations.

Photo by Luke Hayes/Virginia Tech

21. Other Postemployment Benefits

The university participates in postemployment benefit programs that are sponsored by the commonwealth. The Department of Human Resource Management (DHRM) administers the Pre-Medicate Retiree Healthcare program. The Virginia Retirement System (VRS or 'the System') administers the Virginia Sickness and Disability program, Group Life Insurance program, Retiree Health Insurance Credit program, and Line of Duty Act program. Specific information for each of these Other Postemployment Benefit (OPEB) programs is described below:

Plan Descriptions

Pre-Medicare Retiree Healthcare (PMRH) program

All full-time and part-time permanent salaried Virginia Tech employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are eligible to participate in the commonwealth's healthcare program upon employment. Retirees who are not yet eligible for Medicare health benefits may continue to participate in this program by meeting certain eligibility requirements.

Virginia Sickness and Disability (VSDP) program

All full-time and part-time permanent salaried Virginia Tech employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) hired on or after January 1, 1999 are automatically covered by VSDP upon employment. The VSDP program also covers Virginia Tech employees hired before January 1, 1999 who elected to transfer to VSDP rather than retain their eligibility to be considered for disability retirement.

Group Life Insurance (GLI) program

All full-time, salaried permanent employees of Virginia Tech are automatically covered by the GLI program upon employment. (Note: In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance program. For members who elect the optional group life insurance coverage, the insurer bills Virginia Tech directly for the premiums. Virginia Tech deducts these premiums from members' paychecks and pays the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI program postemployment benefit.)

Retiree Health Insurance Credit (HIC) program

All full-time, salaried, permanent employees of Virginia Tech are automatically covered by the HIC program. Members earn one month of service credit toward the benefit for each month they are employed and for which Virginia Tech pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

Line of Duty Act (LODA) program

All paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the LODA program. As required by statute, the VRS is responsible for managing the assets of the program. Virginia Tech's contributions are determined by the system's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

Plan Provisions

PMRH program

Eligible employees

For a VRS retiree to participate in the Pre-Medicare Retiree Healthcare (PMRH) program, the participant must:

- be a retiring state employee who is eligible for a monthly retirement benefit from the VRS, and
- be receiving (not deferring) the benefit immediately upon retirement*, and
- have his or her last employer before retirement be the Commonwealth of Virginia, and
- be eligible for coverage (even if not enrolled) as an active employee in the State Health Benefits Program until his or her retirement date (not including extended coverage), and
- have submitted within 31 days of his or her retirement date an enrollment form to his or her benefits administrator to enroll.

(* A retirement contribution or leave without pay status for retirement was reported in the month immediately prior to retirement date. Some faculty members may also be eligible if they are paid on an alternate pay cycle but maintain eligibility for active coverage until their retirement date.)

For an Optional Retirement Plan (ORP) retiree to participate in the PMRH program, the participant must:

- be a terminating state employee who participates in one of the qualified Optional Retirement Plans, and
- have his or her last employer before termination be the Commonwealth of Virginia, and
- be eligible for coverage (even if not enrolled) in the State Employee Health Benefits Program for active employees at the time of termination, and
- meet the age and service requirements for an immediate retirement benefit under the non-ORP VRS plan that would have been applicable had ORP coverage not been selected, and
- enroll in the State Retiree Health Benefits Program no later than 31 days from the date that coverage (or eligibility for coverage) was lost due to termination of employment.

(This applies to ORP terminations effective January 1, 2017 or later. For those who terminated employment prior to January 1, eligibility should be determined based on the policy in place at the time of their termination.)

VSDP program

Eligible employees

The Virginia Sickness and Disability Program (VSDP), also known as the Disability Insurance Trust Fund was established January 1, 1999 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities.

Eligible employees are enrolled automatically upon employment. They include:

- Full-time and part-time permanent salaried Virginia Tech employees covered under VRS, SPORS and VaLORS (members new to VaLORS following its creation on October 1, 1999 have been enrolled since the inception of VSDP).
- State employees hired before January 1, 1999 who elected to transfer to VSDP rather than retain their eligibility to be considered for VRS disability retirement.
- Virginia Tech faculty members who elect the VRS defined benefit plan.

Benefit Amounts
The Virginia Sickness and Disability Program (VSDP) provides the following benefits for eligible retirees:

- Long-Term Disability (LTD) - The program provides a long-term disability benefit beginning after 125 workdays of short-term disability and continuing until the employee reaches his or her normal retirement age. The benefit provides income replacement of 60% of the employee's pre-disability income. If an employee becomes disabled within five years of his or her normal retirement age, the employee will receive up to five years of VSDP benefits, provided he or she remains medically eligible. Long-term disability benefits are paid by the Virginia Disability Insurance Program (VSDP) OPEB plan.
- Income Replacement Adjustment - The program provides for an income replacement adjustment to 80% for catastrophic conditions.
- Long-Term Care Plan – The program also includes a self-funded long-term care plan that assists with the cost of covered long-term care services.

Cost-of-Living Adjustment (COLA)
During periods an employee receives long-term disability benefits, the LTD benefit may be increased annually by an amount recommended by the actuary and approved by the board.

Plan 1 employees vested as of 1/1/2013 – 100% of the VRS Plan 1 COLA (The first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%).

Plan 1 employee non-vested as of 1/1/2013, Plan 2 and Hybrid Plan employees – 100% of the VRS Plan 2 and Hybrid COLA (The first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%).

For participating full-time employees taking service retirement, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the board, from the date of the commencement of the disability to the date of retirement.

100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS and VaLORS Plans, with a maximum COLA of 4.00%.

For participating full-time employees receiving supplemental (work-related) disability benefits, the creditable compensation may be increased annually by an amount recommended by the actuary and approved by the board, from the date of the commencement of the disability to the date of retirement.

100% of the increase in the pay over the previous plan year for continuing VSDP members in the State, SPORS and VaLORS Plans, with a maximum COLA of 4.00%

GLI program

Eligible employees
The GLI program was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program. Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated member contributions and accrued interest.

Benefit amounts
The benefits payable under the GLI program have several components:

- Natural Death Benefit – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- Accidental Death Benefit – The accidental death benefit is double the natural death benefit.
- Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: accidental dismemberment benefit, seat belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option.

Reduction in benefit amounts
The benefit amounts provided to members covered under the GLI program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)
For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI program. The minimum benefit was set at $8,000 by statute. The amount increases annually based on the VRS Plan 2 cost-of-living adjustment and was increased to $9,254 effective June 30, 2024.

Retiree HIC program

Eligible Employees
The HIC program was established January 1, 1990 for retired state employees covered under VRS, SPORS, VaLORS and the Judicial Retirement System (JRS) who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include full-time and part-time permanent salaried state employees covered under VRS, SPORS, VaLORS and JRS.

Benefit amounts
The HIC program provides the following benefits for eligible employees:

- At Retirement – For employees who retire, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount.
- Disability Retirement – For employees, other than state police officers, who retire on disability or go on long-term disability under the Virginia Sickness and Disability Program (VSDP), the monthly benefit is $120.00 or $4.00 per year of service, whichever is higher. For state police officers with a non-work-related disability who retire on disability or go on long-term disability under VSDP, the monthly benefit is $120.00 or $4.00 per year of service, whichever is higher. For state police officers with a work-related disability, there is no benefit provided under the HIC program if the premiums are being paid under the Virginia Line of Duty Act (LODA). However, they may receive the credit for premiums paid for other qualified health plans.

HIC program notes
The monthly HIC benefit cannot exceed the individual's premium amount. Employees who retire after being on long-term disability under VSDP must have at least 15 years of service credit to qualify for HIC as a retiree.

LODA program

Eligible Employees
The eligible employees of the LODA program are paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under VRS, SPORS, or VaLORS .

21. Other Postemployment Benefits, continued

Benefit Amounts

LODA provides death and health insurance benefits for eligible individuals.

Death benefits – The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows:

- $100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006 or after.
- $25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date.
- An additional $20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

Health insurance benefits – The LODA program provides health insurance benefits. The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members.

Contributions

PMRH program

Virginia Tech does not pay a portion of the retirees' healthcare premium; however, since both active employees and retirees are included in the same pool for purposes of determining health insurance rates, this generally results in a higher rate for active employees. Therefore, Virginia Tech effectively subsidizes the costs of the participating retirees' healthcare through payment of Virginia Tech's portion of the premiums for active employees. Benefit payments are recognized when due and payable in accordance with the benefit terms. PMRH is a single-employer defined benefit OPEB plan that is treated like a cost-sharing plan for financial reporting purposes and is administered by the Virginia Department of Human Resource Management. There are no inactive employees entitled to future benefits who are not currently receiving benefits. There are no assets accumulated in a trust to pay benefits for this program.

VSDP program

The contribution requirements for the VSDP are governed by §51.1-1140 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for VSDP for the year ended June 30, 2024 was 0.61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits payable during the year, with an adjustment to amortize the accrued OPEB assets. Contributions to the VSDP from Virginia Tech were $1,117,000 and $1,088,000 for the years ended June 30, 2024, and June 30, 2023, respectively.

GLI program

The contribution requirements for the GLI program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI program from Virginia Tech were $4,141,000 and $3,740,000 for the years ended June 30, 2024, and June 30, 2023, respectively. In June 2023, the commonwealth made a special contribution of approximately $10.1 million to the GLI program. This special payment was authorized by a budget amendment included in Chapter 2 of the *Acts of Assembly of 2022*. Virginia Tech's proportionate share for the GLI program is reflected in other non-operating revenue on the *Statement of Revenues, Expenses, and Changes in Net Position*.

Retiree HIC program

The contribution requirement for active employees is governed by §51.1-1400(D) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each state agency's contractually required employer contribution rate for the year ended June 30, 2024, was 1.12% of covered employee compensation for employees in the Retiree HIC program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from Virginia Tech to the Retiree HIC program were $8,912,000 and $8,047,000 for the years ended June 30, 2024, and June 30, 2023, respectively. In June 2023, the commonwealth made a special contribution of approximately $8.5 million which was applied to the HIC program. This special payment was authorized by a budget amendment included in Chapter 2 of the *Acts of Assembly of 2022*. Virginia Tech's proportionate share for the HIC program is reflected in other non-operating revenue on the *Statement of Revenue, Expenses, and Changes in Net Position*.

LODA program

The contribution requirements for the LODA program are governed by §9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA program for the year ended June 30, 2024, was $830.00 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA program from Virginia Tech were $42,000 and $42,000 for the years ended June 30, 2024, and June 30, 2023, respectively.

Liabilities (Assets), Expenses, and Deferred Inflows/Outflows of Resources

At June 30, 2024, Virginia Tech reported the following net liabilities (assets) for its proportionate share of these programs:

PMRH	$	32,558,000
VSDP	$	(11,134,000)
GLI	$	36,765,000
HIC	$	72,261,000
LODA	$	968,000

These liabilities (assets) were measured as of June 30, 2023, and the total OPEB liability used to calculate each net liability (asset) was determined by an actuarial valuation as of that date. Virginia Tech's proportion of the PMRH OPEB liability was based on its healthcare premium contributions as a percentage of the total employer's healthcare premium contributions for all participating employers. For VSDP, GLI, HIC and LODA programs, Virginia Tech's proportionate share of each liability (asset) was based on Virginia Tech's actuarially determined employer contributions to each plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers.

At June 30, 2023, Virginia Tech's proportionate share was:

PMRH	9.25% as compared to 9.12% at June 30, 2022
VSDP	3.52% as compared to 3.58% at June 30, 2022
GLI	3.07% as compared to 3.06% at June 30, 2022
HIC	8.79% as compared to 8.77% at June 30, 2022
LODA	0.24% as compared to 0.25% at June 30, 2022

For the year ended June 30, 2023, Virginia Tech recognized the following expenses for these programs:

PMRH	$	(14,725,000)
VSDP	$	352,000
GLI	$	2,167,000
HIC	$	12,340,000
LODA	$	128,000

Since there was a change in proportionate share between measurement dates, a portion of these expenses was related to deferred amounts from changes in proportion.

At June 30, 2024, Virginia Tech reported deferred outflows/inflows of resources related to these programs from the following sources *(all dollars in thousands):*

Program	Source		Deferred Outflow		Deferred Inflow
PMRH	Difference between expected and actual experience	$	835	$	7,871
	Change in assumptions		-		19,935
	Changes in proportion		4,412		236
	Amounts associated with transactions subsequent to measurement date		2,581		-
	Total	$	7,828	$	28,042
VSDP	Difference between expected and actual experience	$	802	$	1,532
	Net difference between projected and actual earnings on investments		-		305
	Change in assumptions		38		122
	Changes in proportion		439		30
	VT contributions subsequent to measurement date		1,117		-
	Total	$	2,396	$	1,989
GLI	Difference between expected and actual experience	$	3,672	$	1,116
	Net difference between projected and actual earnings on investments		-		1,477
	Change in assumptions		786		2,547
	Changes in proportion		798		15
	VT contributions subsequent to measurement date		4,141		-
	Total	$	9,397	$	5,155
HIC	Difference between expected and actual experience	$	2	$	4,616
	Net difference between projected and actual earnings on investments		189		-
	Change in assumptions		1,708		-
	Changes in proportion		1,564		71
	VT contributions subsequent to measurement date		8,912		-
	Total	$	12,375	$	4,687
LODA	Difference between expected and actual experience	$	52	$	182
	Net difference between projected and actual earnings on investments		-		3
	Change in assumptions		215		200
	Changes in proportion		73		69
	VT contributions subsequent to measurement date		42		-
	Total	$	382	$	454

The following amounts reported as deferred outflows of resources related to each program, resulting from Virginia Tech's contributions subsequent to the measurement date, will be recognized as a reduction of each program's net liability (asset) in the fiscal year ending June 30, 2024 *(all dollars in thousands):*

PMRH	$	2,581
VSDP	$	1,117
GLI	$	4,141
HIC	$	8,912
LODA	$	42

Other amounts reported as deferred outflows/inflows of resources related to the OPEB programs will be recognized in each program's expense in future reporting periods as follows *(all dollars in thousands):*

Year ended June 30:		PMRH		VSDP		GLI		HIC		LODA
2025	$	(11,283)	$	(421)	$	112	$	31	$	(6)
2026	$	(6,183)	$	(535)	$	(1,290)	$	(579)	$	(6)
2027	$	(3,671)	$	105	$	735	$	(191)	$	(4)
2028	$	(1,721)	$	31	$	162	$	(382)	$	(5)
2029	$	65	$	80	$	381	$	(103)	$	(17)
Thereafter	$	-	$	31	$	-	$	-	$	(76)

21. Other Postemployment Benefits, continued

Actuarial Assumptions

PMRH program actuarial assumptions

The total Pre-Medicare Retiree Healthcare OPEB liability was based on an actuarial valuation with a valuation date of June 30, 2023. The Department of Human Resource Management selected the economic, demographic, and healthcare claim cost assumptions. The actuary provided guidance with respect to these assumptions. Initial healthcare costs trend rates used were 7.75 percent for medical and pharmacy and 4.00 percent for dental. The ultimate trend rates used were 4.50 percent for medical and pharmacy and 4.00 percent for dental.

Valuation Date	Actuarially determined contribution rates calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.
Measurement Date	June 30, 2023 (one year prior to the end of the fiscal year)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, Closed
Effective Amortization Period	5.80 years
Discount Rate	3.65%
Projected Salary Increases	5.35% to 3.50% based on years of service from 1 year to 20 years or more
Medical Trend Under 65	Medical and Rx: 7.75% to 4.50%, Dental: 4.00%
Year of Ultimate Trend	2033

Mortality Rates

- Pre-Retirement: Pub-2010 Benefits Weighted General Employee Rates projected generationally with a Modified MP-2021 Improvement Scale; females set forward 2 years.
- Post-Retirement: Pub-2010 Benefits Weighted General Healthy Retiree Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for females.
- Post-Disablement: Pub-2010 Benefits Weighted General Disabled Rates projected generationally with a Modified MP-2021 Improvement Scale; males and females set forward 3 years.
- Beneficiaries and Survivors: Pub-2010 Benefits Weighted General Contingent Annuitant Rates projected generationally with a Modified MP-2021 Improvement Scale; 110% of rates for males and females.

The discount rate was based on the Bond Buyers GO 20 Municipal Bond Index as of the measurement date which is June 30, 2023.

Changes of Assumptions

There were not any changes in assumptions since the June 30, 2022, measurement date. The following remained constant since the prior measurement date:

- Spousal Coverage - rate remained at 20 percent
- Retiree Participation - rate remained at 35 percent

The trend rates were updated based on economic conditions as of June 30, 2023. Additionally, the discount rate was increased from 3.54% to 3.65% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2023.

There were no plan changes in the valuation since the prior year.

VSDP, GLI, HIC, and LODA program actuarial assumptions

VSDP, GLI, and HIC – The total liability for these programs was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50 percent
Salary increases, including inflation	
General state employees	3.50 percent – 5.35 percent
Teachers (GLI only)	3.50 percent – 5.95 percent
SPORS employees	3.50 percent – 4.75 percent
VaLORS employees	3.50 percent – 4.75 percent
JRS employees (GLI and HIC only)	4.00 percent
Locality – General employees (GLI only)	3.50 percent – 5.35 percent
Locality – Hazardous Duty employees (GLI only)	3.50 percent – 4.75 percent
Investment rate of return	6.75 percent, net of OPEB plan investment expenses, including inflation

LODA - The total liability for these programs was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.50 percent
Salary increases, including inflation	
General state employees	N/A
SPORS employees	N/A
VaLORS employees	N/A
Locality employees	N/A
Medical cost trend rates assumption	
Under age 65	7.00 percent – 4.75 percent
Ages 65 and older	5.25 percent – 4.75 percent
Year of ultimate trend rate	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	3.86 percent, including inflation*

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.86% was used since it approximates the risk-free rate of return.

Mortality rates – General State Employees (VSDP, GLI, HIC, LODA)

- Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years.

- Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except for the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change (Discount rate does not apply to LODA).

Mortality rates – Teachers (GLI)

- Pre-Retirement: Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.
- Post-Retirement: Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.
- Post-Disablement: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through age 9 years of service.
Disability Rates	No change.
Salary Scale	No change.
Discount Rate	No change.

Mortality rates – SPORS Employees (VSDP, GLI, HIC, LODA)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020. (VSDP and LODA only: Increased disability life expectancy.)
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change (Discount rate does not apply to LODA.)

Mortality rates – VaLORS Employees (VSDP, GLI, HIC, LODA)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020. (VSDP and LODA only: Increased disability life expectancy.)
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70.

21. Other Postemployment Benefits, continued

Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change (Discount rate does not apply to LODA.)

Mortality rates – JRS Employees (GLI, HIC)

- Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males and females set back 2 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Decreased rates for ages 60-66 and 70-72.
Withdrawal Rates	No change.
Disability Rates	No change.
Salary Scale	Reduce increases across all ages by 0.50%.
Discount Rate	No change.

Mortality rates – Largest Ten Locality Employers - General Employees (GLI)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change.

Mortality rates – Non-Largest Ten Locality Employers - General Employees (GLI)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change.

Mortality rates – Largest Ten Locality Employers with Hazardous Duty Employees (GLI)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change.

Mortality rates – Non-Largest Ten Locality Employers with Hazardous Duty Employees (GLI)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates and changed rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.
Discount Rate	No change.

Mortality rates – Largest Ten Locality Employers with Public Safety Employees (LODA)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.

Mortality rates – Non-Largest Ten Locality Employers with Public Safety Employees (LODA)

- Pre-Retirement: Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement: Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

21. Other Postemployment Benefits, continued

- Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
- Mortality Improvement Scale: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only, to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty.
Disability Rates	No change.
Salary Scale	No change.
Line of Duty Disability	No change.

Net OPEB Asset/Liability

The net OPEB asset/liability (NOA or NOL) for VSDP, GLI, HIC and LODA represents each program's total OPEB liability determined in accordance with GASB Statement 74, less the associated fiduciary net position. As of June 30, 2023, NOA/NOL amounts for each program are as follows *(all dollars in thousands):*

	VSDP	GLI	HIC	LODA
Total OPEB Liability	$ 318,901	$ 3,907,052	$ 1,102,220	$ 406,211
Plan Fiduciary Net Position	634,779	2,707,739	280,599	5,311
Employers' Net OPEB Liability (Asset)	$ (315,878)	$ 1,199,313	$ 821,621	$ 400,900
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	199.05%	69.30%	25.46%	1.31%

The total OPEB liability is calculated by VRS's actuary, and each plan's fiduciary net position is reported in VRS's financial statements. The net OPEB liability (asset) is disclosed in accordance with the requirements of GASB Statement 74 in VRS's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

VSDP, GLI, HIC programs

The long-term expected rate of return on the VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of the VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
Expected inflation			2.50%
Expected arithmetic nominal return*			8.25%

* The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

LODA program

The long-term expected rate of return on LODA OPEB Program's investments was set at 3.86% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 3.86% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Fidelity Fixed Income General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2023.

Discount Rate

PMRH program

The discount rate was increased from 3.54% to 3.65% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2024. Retiree participation rate remained at 35% based on a blend of recent experience and the prior year assumptions. There were no plan changes in the valuation since the prior year.

VSDP, GLI, HIC programs

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by Virginia Tech for each of these programs will be subject to the portion of the VRS board-certified rates that are funded by the Virginia General Assembly, which was 109% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB fiduciary net position for these programs was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability for each of these programs.

LODA program

The discount rate used to measure the total OPEB liability was 3.86%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and they will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by Virginia Tech to the LODA OPEB program will be subject to the portion of the VRS board-certified rates that are funded by the Virginia General Assembly.

Sensitivity of Virginia Tech's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents Virginia Tech's proportionate share of the OPEB liability for PMRH using the discount rate of 3.65%; VSDP, GLI, and HIC using the discount rate of 6.75%; and LODA using the discount rate of 3.86%. As well, Virginia Tech's proportionate share of the OPEB liability (asset) is presented as it would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate *(all dollars in thousands):*

Virginia Tech's Proportionate Share of OPEB Liability (Asset)

	1.0% Decrease		Current Discount Rate		1.0% Increase	
	2.65%		3.65%		4.65%	
PMRH	$	34,484	$	32,558	$	30,722
	5.75%		6.75%		7.75%	
VSDP	$	(10,304)	$	(11,134)	$	(11,866)
GLI	$	54,497	$	36,765	$	22,428
HIC	$	81,597	$	72,261	$	64,254
	2.86%		3.86%		4.86%	
LODA	$	1,086	$	968	$	869

Sensitivity of Virginia Tech's Proportionate Share of the PMRH OPEB and LODA OPEB Liabilities to Changes in the Healthcare Trend Rate

Because the Pre-Medicare Retiree Healthcare and Line of Duty Act programs contain provisions for the payment of health insurance premiums, the liabilities are also impacted by the healthcare trend rates. The following presents Virginia Tech's proportionate share of the OPEB liability for these programs using healthcare trend rate of 7.75% decreasing to 4.50% for PMRH and 7.00% decreasing to 4.75% for LODA. As well, Virginia Tech's proportionate share of the OPEB liability is presented as it would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate *(all dollars in thousands):*

Virginia Tech's Proportionate Share of OPEB Liability

	1.00% Decrease		Current Healthcare Trend Rate		1.00% Increase	
PMRH	6.75% decreasing to 3.50%		7.75% decreasing to 4.50%		8.75% decreasing to 5.50%	
	$	29,619	$	32,558	$	35,969
LODA	6.00% decreasing to 3.75%		7.00% decreasing to 4.75%		8.00% decreasing to 5.75%	
	$	821	$	968	$	1,150

Fiduciary Net Position

Detailed information about Fiduciary Net Position for each of these programs is available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/media/shared/pdf/publications/2023-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the VSDP, GLI, and HIC OPEB programs

The amount payable outstanding at June 30, 2024 to each of these OPEB programs was as follows:

VSDP	$	7,000
GLI	$	247,000
HIC	$	516,000

22. Grants, Contracts, and Other Contingencies

The university has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Claims against these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the outlay of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the university.

In addition, the university is required to comply with various federal regulations issued by the Office of Management and Budget. Failure to comply with certain system requirements of these regulations may result in questions concerning the allowance of related direct and indirect charges pursuant to such agreements. As of June 30, 2024, the university estimates that no material liabilities will result from such audits or questions.

23. Federal Direct Lending Program

The university participates in the Federal Direct Lending Program. Under this program, the university receives funds from the U.S. Department of Education for Stafford and Parent PLUS Loan Programs, and disburses these funds to eligible students. The funds can be applied to outstanding student tuition and fee charges or refunded directly to the student.

These loan proceeds are treated as student payments, with the university acting as a fiduciary agent for the student. Therefore, the receipt of the funds from the federal government is not reflected in the federal government grants and contracts total on the *Statement of Revenues, Expenses, and Changes in Net Position.* The activity is included in the operating activities section of the *Statement of Cash Flows.* For the fiscal year ended June 30, 2024, cash provided by the program totaled $169,567,000 and cash used by the program totaled $169,597,000.

24. Appropriations

The *Appropriation Act* specifies that unexpended general fund appropriations remaining on the last day of the current year, ending on June 30, 2024, shall be reappropriated for expenditure in the first month of the next year, beginning on July 1, 2024, except as may be specifically provided otherwise by the Virginia General Assembly. The governor may, at his discretion, unallot funds from the reappropriated balances that relate to unexpended appropriations for payments to individuals, aid to localities, or any pass-through grants.

Adjustments made to the university's original appropriation during this fiscal year are as follows *(all dollars in thousands)*:

Original Legislative Appropriation
(per Chapter 2 of the 2022 Special Session)

Education and general programs	$	293,560
Student financial assistance		32,673
Commonwealth Research Initiative and Federal Action Contingency Trust		10,389
Unique military activities		3,649
Total appropriation		340,271
Adjustments		
Education and general programs		36,051
Access and affordability		12,330
Tech talent investment program		11,887
Pell Initiative Grant		799
Virginia military survivors and dependents		794
DECA and HOSA CTSO Advisors Grant		425
Virginia management fellows program		377
College Transfer Grant		197
Other adjustments		24
Total adjustments		62,884
Total adjusted appropriation	$	403,155

Capital Appropriations

Capital project general fund appropriations were recognized by the university from the commonwealth for the year ended June 30, 2024. During the year $115,470,000 in capital appropriations have been allocated as follows *(all dollars in thousands)*:

Replace Randolph Hall	$	74,749
Education and general maintenance reserve projects		18,447
Tech talent investment program		8,509
Livestock and poultry facilities		6,490
Undergraduate lab furniture, fixtures, and equipment		5,693
Tech talent investment program, College of Engineering		1,032
Center Woods		550
Total capital appropriations	$	115,470

25. Deferred Outflows and Inflows of Resources

Deferred Outflows of Resources

Deferred outflows of resources are defined as the consumption of net assets applicable to a future reporting period. The deferred outflows of resources have a positive effect on net position, similar to assets.

The composition of deferred outflows of resources on June 30, 2024, is summarized as follows (*all dollars in thousands*):

Deferred loss on long-term debt defeasance (Note 14)	$	2,430
Deferred outflow for VRS pension (Note 19)		83,676
Deferred outflow for other postemployment benefits (Note 21)		32,378
	$	118,484

Deferred Inflows of Resources

Deferred inflows of resources are defined as the acquisition of net assets applicable to a future reporting period. The deferred inflows of resources have a negative effect on net position, similar to liabilities.

The composition of deferred inflows of resources on June 30, 2024, is summarized as follows (*all dollars in thousands*):

Deferred gain on long-term debt defeasance (Note 14)	$	1,214
Deferred inflow for long-term leases		2,425
Deferred inflow for VRS pension (Note 19)		35,601
Deferred inflow for other postemployment benefits (Note 21)		40,327
	$	79,567

Photo by Clark DeHart/Virginia Tech

Photo by Lee Friesland/Virginia Tech

26. Expenses by Natural Classification within Functional Classification

Operating expenses by functional classification for the year ended June 30, 2024

(all dollars in thousands)

	Compensation and Benefits	Contractual Services	Travel	Supplies and Materials	Other Operating Expenses	Sponsored Program Contracts	Scholarships and Fellowships	Total
Instruction	$ 467,704	$ 24,080	$ 13,122	$ 9,849	$ 4,472	$ 253	$ 2,586	$ 522,066
Research	286,099	33,227	15,638	25,965	4,109	46,904	23,646	435,588
Public service	76,100	12,439	5,776	3,907	3,450	3,013	447	105,132
Academic support	112,082	15,472	2,265	12,639	2,601	2,128	593	147,780
Student services	26,146	3,876	1,950	1,698	505	762	218	35,155
Institutional support	100,113	1,405	538	63	280	19	978	103,396
Operations and maintenance	44,223	4,969	262	7,960	33,893	-	86	91,393
Student financial assistance*	262	889	5	37	30	-	36,616	37,839
Auxiliary enterprises	140,841	34,079	16,098	52,244	56,599	21	710	300,592
Subtotal before other costs	$ 1,253,570	$ 130,436	$ 55,654	$ 114,362	$ 105,939	$ 53,100	$ 65,880	1,778,941
Depreciation and amortization								174,983
Total operating expenses								$ 1,953,924

**Includes loan administrative fees and collection costs.*

27. Notes to Component Unit Statements

The Virginia Tech Foundation component unit statements, found on pages 20 and 21, and these subsequent notes comply with the Governmental Accounting Standards Board (GASB) format. Virginia Tech Foundation Inc. follows the Financial Accounting Standards Board (FASB) presentation format in their audited financial statements. Consequently, reclassifications have been made to convert their statements to the GASB format *(all dollars in thousands).*

Contributions Receivable - Virginia Tech Foundation Inc.

The following summarizes unconditional promises to give at June 30, 2024 *(all dollars in thousands)*:

Receivable in less than one year	$ 81,479
Receivable in one to five years	80,340
Receivable in more than five years	51,644
Total contributions receivable, gross	213,463
Less allowance for uncollectible contributions	5,489
Less discount to reduce estimated future cash flows to fair value	30,813
Contributions receivable, at fair value	$ 177,161

The discount rates ranged from 5.72% to 7.60% at June 30, 2024. As of June 30, 2024 the foundation is unaware of any significant conditional promises to give.

Investments - Virginia Tech Foundation Inc.

The overall investment objective of the foundation is to invest its endowed funds in a manner that provides returns adequate to meet spending policy objectives in support of designated endowed programs while maintaining the purchasing power of the endowment. The foundation invests a portion of its operating funds in the endowment to provide support for a portion of its annual operating activities. Investment activities are overseen by the board's Investment Committee and are authorized by the board's Executive Committee. The investment program is managed in accordance with its investment policy statement, which is reviewed annually by the board.

The foundation's primary approach towards investing involves the use of third-party investment managers to execute transactions on behalf of the foundation. However, the foundation may also invest directly in securities without restriction. The range of investment strategies utilized is not limited and includes both hedged and unhedged strategies across both public and private markets. Strategies currently employed include long-only equities, long/short hedge funds, fixed income, private credit, private equity, venture capital, real estate, and real assets. In the case of private securities, investments require the estimation of fair value by investment managers. Inputs into such valuations include fundamental factors as well as market comparable transactions. These values may differ significantly from the true value of such investments had readily available markets existed.

As of June 30, 2024, long-term investments included investment assets held in internally managed trust funds with a carrying values totaling $58,335. At June 30, 2024, unspent bond proceeds of $6,074, invested in U.S. government treasuries, were included in short-term investments. These proceeds are restricted for investment in land and building development.

The foundation is required by Maryland state law to maintain segregated assets for all annuities issued in an amount at least equal to the sum of its outstanding deferred giving arrangements, liability discounted to present value. As of June 30, 2024, the foundation had recorded annuity obligations of $6,705. As of June 30, 2024, the foundation had separately invested cash reserves of $12,157, and had met its minimum reserve requirement under Maryland state law.

The following summarizes changes in relationships between cost and fair value of investments during 2024 (*all dollars in thousands*):

	Fair value	Cost	Net gains
June 30, 2024	$ 2,120,942	$ 1,901,929	$ 219,013
June 30, 2023	1,949,823	1,798,869	150,954
Unrealized net gain for the year, including net gain on agency deposits held in trust of $24,365			68,059
Realized net gain for the year, including net gain on agency deposits held in trust of $29,603			89,449
Total net gain for the year, including net gain on agency deposits held in trust of $53,968			$ 157,508

Fair Value Hierarchy - Virginia Tech Foundation Inc.

Accounting Standards Codification (ASC) Topic 820 establishes a three-tier fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs that use quoted prices (unadjusted) in active markets for identical assets or liabilities that the foundation has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

The fair values of the foundation's corporate debt securities and state, county and municipal securities are obtained from a third-party pricing service provider. The fair values provided by the pricing service provider are estimated using pricing models, where the inputs to those models are based on observable market inputs including credit spreads and broker-dealer quotes, among other inputs. The foundation classifies the prices obtained from the pricing services within Level 2 of the fair value hierarchy because the underlying inputs are directly observable from active markets. However, the pricing models used do entail a certain amount of subjectivity and, therefore, differing judgments in how the underlying inputs are modeled could result in different estimates of fair value.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The assets that were measured at fair value on a recurring basis at June 30, 2024 are presented in the first table on the next page.

The second table on the next page summarizes the foundation's investments in entities that calculate net asset value as a practical expedient to estimate fair value as of June 30, 2024, as well as liquidity and funding commitments.

Assets Measured at Fair Value - Virginia Tech Foundation Inc.
At June 30, 2024
(all dollars in thousands)

	Total at June 30, 2024	Fair value measurements at reporting date using: Level 1	Level 2	Level 3	NAV*
Assets					
Contributions Receivable	$ 177,161	$ -	$ -	$ 177,161	$ -
Short-term investments					
Corporate debt securities	11,805	11,805	-	-	-
U.S. government treasuries	6,840	6,840	-	-	-
U.S. government agencies	764	764	-	-	-
Total short-term investments	19,409	19,409	-	-	-
Long-term investments					
Cash and cash equivalents	63,562	63,562	-	-	-
U.S. government treasuries	70,383	70,383	-	-	-
U.S. government agencies	10,450	10,450	-	-	-
Hedge funds	273,337	-			273,337
Private real estate	303,395	-	-	-	303,395
Private credit	64,727	-	-	-	64,727
Private equity	229,891	-	-	-	229,891
Public equity	946,084	354,110	-	-	591,974
Corporate bonds	14,419	14,419	-	-	-
Corporate debt securities	75,119	69,692	5,039	388	-
Mortgage receivable	20,993	17,727	3,266	-	-
Foreign securities	18,963	18,963	-	-	-
Real estate	5,321	-	-	5,321	-
Global stock	4,889	4,889	-	-	-
Total long-term investments	2,101,533	624,195	8,305	5,709	1,463,324
Irrevocable trusts held by others	5,467	-	-	5,467	-
Total	$ 2,303,570	$ 643,604	$ 8,305	$ 188,337	$ 1,463,324

* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the *Statement of Net Position*.

Assets Measured using NAV Estimate - Virginia Tech Foundation Inc.
At June 30, 2024
(all dollars in thousands)

	Fair Value	Uncalled Commitments	Remaining Life	Redemption Frequency	Trade to Settlement Terms	Redemption Notice Period
Public equity funds (1)	$ 591,974	$ -	N/A	Daily to Every 3 years	1-30 days	45-180 days
Hedge funds (2)	273,337	-	N/A	Monthly to Quarterly	5-30 days	30-90 days
Private credit funds (3)	64,727	31,502	1-10 years	N/A	N/A	N/A
Private equity funds (4)	229,891	74,088	1-10 years	N/A	N/A	N/A
Private real assets funds (5)	303,395	77,918	1-10 years	N/A	N/A	N/A
	$ 1,463,324	$ 183,508				

(1) The amount represents investments in funds that invest in publicly traded equity securities and can be liquidated over various intervals. The net asset value of each fund, which represents the fair value of the underlying investments, is used as a practical expedient under fair value guidance. The managers invest primarily in long equity securities, although some managers are allowed to invest in short equity securities. In all cases the objective is for managers to achieve a return in excess of an appropriate equity market benchmark, such as the MSCI ACWI.

(2) The amount represents investments in funds that invest in hedged strategies, such as long/short, event-driven and global macro. There are no restrictions on the types of securities and financial instruments these managers are allowed to invest in. The net asset value of each fund, which represents the fair value of the underlying investments, is used as a practical expedient under fair value guidance. Fund managers seek to achieve returns in excess of broad market benchmarks over a full market cycle while exhibiting low correlation with such benchmarks, thus providing diversification.

(3) The amount represents investments in funds that invest in credit-related securities that are privately negotiated. These investments are made under a drawdown commitment structure, where capital is called by the manager when needed. The fair values of investments have been estimated using the net asset value related to each limited partner's ownership interest in the fund as a practical expedient under fair value guidance. These investments cannot be redeemed, with all liquidity decisions under manager control. It is estimated that the underlying assets of the fund will be liquidated over a time period ranging from 1-10 years.

(4) The amount represents investments in funds that invest in the equity of private companies. Investments may take the form of direct equity, preferred equity, convertible equity, or any other "equity-like" structure that reflects entity ownership. These investments are made under a drawdown commitment structure, where capital is called by the manager when needed. Private Equity consists of managers investing in equity at a variety of stages, including venture capital, growth equity, or those companies bought out in take-private transactions. The fair values of investments have been estimated using the net asset value related to each limited partner's ownership interest in the fund as a practical expedient under fair value guidance. These investments cannot be redeemed, with all liquidity decisions under manager control. It is estimated that the underlying assets of the fund will be liquidated over a time period ranging from 1-10 years.

(5) The amount represents investments in funds that invest in the equity, and occasionally debt, of private real assets, including real estate, natural resources, and infrastructure. These investments are made under a drawdown commitment structure, where capital is called by the manager when needed. The fair values of investments have been estimated using the net asset value related to each limited partner's ownership interest in the fund as a practical expedient under fair value guidance. These investments cannot be redeemed, with all liquidity decisions under manager control. It is estimated that the underlying assets of the fund will be liquidated over a time period ranging from 1-10 years.

27. Notes to Component Unit Statements, continued

Land, Buildings, and Equipment - Virginia Tech Foundation Inc.

The following is a summary of land, buildings, and equipment at cost, less accumulated depreciation for the year ending June 30, 2024 *(all dollars in thousands):*

Depreciable capital assets	
Buildings	$ 340,777
Equipment and other	53,087
Land improvements	29,679
Total depreciable capital assets, at cost	423,543
Less accumulated depreciation	187,177
Total depreciable capital assets, net	236,366
Nondepreciable capital assets	
Land	151,359
Vintage and other collection items	7,122
Livestock	708
Construction in progress	12,430
Total nondepreciable capital assets	171,619
Total capital assets, net	$ 407,985

As of June 30, 2024, outstanding contractual commitments for projects under construction approximated $3,241.

Long-term Debt Payable - Virginia Tech Foundation Inc.

Notes payable

The following is a summary of outstanding notes payable at June 30, 2024 *(all dollars in thousands):*

Unsecured note payable issued on May 31, 2024 at a fixed rate of 5.90%. Note matures June 1, 2039	$ 11,100
Unamortized issuance costs	(100)
Unsecured note payable upon the sale of the hotel and repayment of all debt of the hotel and the Hotel Roanoke Foundation	1,775
Total notes payable	$ 12,775

The aggregate annual maturities of notes payable for each of the five years and thereafter subsequent to June 30, 2024, are *(all dollars in thousands):*

Year ending June 30,	
2025	$ 477
2026	509
2027	539
2028	571
2029	605
2030-2034	3,602
2035-2039	4,797
Upon the sale of the hotel and repayment of all debt of the hotel and HRF	1,775
Total notes payable	$ 12,875

Bonds payable

The foundation is obligated under the Economic Development Authority of Montgomery County, Virginia Revenue and Refunding Bonds (Series 2017A) and Taxable Revenue and Refunding Bonds (Series 2017B) dated May 17, 2017. Proceeds were used to refinance all or a portion of the outstanding Series 2009A, Series 2010A, Series 2010B, and Series 2011A bonds, refinance a VTREF note payable, and renovate a facility used in support of the university. The Series 2017A and 2017B bonds, which bear a weighted average fixed interest rate of 2.93% and 3.43%, respectively, have annual serial and sinking fund maturities beginning June 1, 2018 and concluding June 1, 2039 in varying amounts ranging from $580 to $4,670.

The foundation is obligated under the Economic Development Authority of Montgomery County, Virginia Revenue and Refunding Bonds (Series 2017C) dated May 17, 2017. Proceeds were used to refinance all of the outstanding Series 2005 bonds and the remaining portion of the Series 2009A bonds. The Series 2017C bonds, which bear a variable interest rate calculated as 65% of one-month LIBOR plus 0.407%, have annual serial maturities beginning June 1, 2018 and concluding June 1, 2027 in varying amounts ranging from $1,340 to $3,380.

The foundation is obligated under a promissory note with Union Bank and Trust (Series 2017D) dated December 19, 2017. Proceeds were used to finance the construction of several facilities to be used in support of the university. The promissory note, which bears a fixed interest rate of 3.7%, has annual serial maturities beginning October 1, 2019 and concluding October 1, 2037 in varying amounts ranging from $115 to $825. At June 30, 2024, unspent bond proceeds of $4 were included in restricted cash and cash equivalents.

During the year ended June 30, 2017, the foundation used the proceeds from the Series 2017 bond issuances to refinance all of its Industrial Development Authority of Montgomery County, Virginia Variable Rate Revenue Bonds Series 2005 and Industrial Development Authority of Montgomery County, Virginia Revenue Bonds Series 2009A bonds in the amounts of $12,065 and $16,495, respectively. The foundation also partially refunded $44,190 of its Series 2010A, $5,620 of its Series 2010B, and $14,515 of its Series 2011A bonds as well. The foundation defeased or partially refunded these bonds payable by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased or partially refunded bonds are not reflected in the foundation's component unit financial statements.

The foundation is obligated under the Economic Development Authority of Montgomery County, Virginia Revenue Bonds (Series 2019A) and Taxable Revenue and Refunding Bonds (Series 2019B) dated November 5, 2019. Proceeds were used to finance costs related to the acquisition, construction, and equipping of certain facilities, fund capitalized interest, refinance all or a portion of the outstanding Series 2010B and Series 2011B bonds, and pay certain costs of issuance. The Series 2019A and 2019B bonds, which bear a weighted average fixed interest rate of 2.54% and 3.06%, respectively, have annual serial and sinking fund maturities beginning June 1, 2020 and concluding June 1, 2044 in varying amounts ranging from $60 to $7,615. At June 30, 2024 unspent bond proceeds of $1,293 and $6,074 are included in restricted cash and cash equivalents and short-term investments, respectively.

The foundation refunded the remaining $4,355 of its Series 2010B and partially refunded $27,515 of its Series 2011B bonds. The foundation defeased or partially refunded these bonds payable by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased or partially refunded bonds are not reflected in the foundation's component unit financial statements.

The foundation is obligated under the Economic Development Authority of Montgomery County, Virginia Taxable Revenue and Refunding Bonds (Series 2020A) dated July 7, 2020. Proceeds were used to finance costs related to the acquisition, construction, and equipping of certain facilities; refinance all or a portion of the outstanding Series 2011A, Series 2013A, and Series 2013B bonds; and pay certain costs of issuance. The Series 2020A bonds, which bear a weighted average fixed interest rate of 2.24%, have annual serial maturities beginning June 1, 2021 and concluding June 1, 2038 in varying amounts ranging from $565 to $4,625.

The foundation refunded the remaining $29,150 of its Series 2011A, partially refunded $13,170 of its Series 2013A, and partially refunded $6,575 of its 2013B bonds. The foundation defeased or partially refunded these bonds payable by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased or partially refunded bonds are not reflected in the foundation's component unit financial statements.

The foundation is obligated under the Economic Development Authority of Montgomery County, Virginia Revenue Bond (Series 2022) and Taxable Loan dated October 26, 2022. Proceeds will be used to finance costs related to acquisition, construction, and equipping of certain facilities and refinance the outstanding Series 2012B bonds. The Series 2022 bonds, which bear a weighted average fixed interest rate of 3.42%, have annual serial maturities beginning June 1, 2023 and concluding June 1, 2039 in varying amounts ranging from $131 to $427. The Taxable Loan, which bears a weighted average fixed interest rate of 4.34%, has annual serial maturities beginning June 1, 2023 and concluding June 1, 2033 in varying amounts ranging from $198 to $497.

Principal amounts outstanding for bonds payable and the related unamortized premium amounts where applicable at June 30 are as follows *(all dollars in thousands):*

Bond series	
Series 2017A	$ 27,585
Series 2017B	31,345
Series 2017C	4,935
Series 2017D	9,235
Series 2019A	46,325
Series 2019B	80,835
Series 2020A	46,535
Series 2022	5,121
Taxable Loan	3,802
Unamortized premium on Series 2017A	1,202
Unamortized premium on Series 2019A	8,531
Unamortized discount on Series 2019B	(685)
Unamortized bond issuance cost	(1,907)
Total bonds payable	$ 262,859

The aggregate annual maturities of bonds payable for each of the five years and thereafter subsequent to June 30, 2024, are as follows *(all dollars in thousands):*

Year ending June 30,	
2025	$ 19,666
2026	18,938
2027	19,578
2028	18,439
2029	24,467
2030 – 2034	82,232
2035 – 2039	73,681
2040 – 2044	7,765
Total	$ 264,766

Total interest expense incurred in the aggregate related to notes payable and bonds payable during the year ended June 30, 2024 totaled $8,325.

Agency Deposits Held in Trust - Virginia Tech Foundation Inc.

Under an agreement between the university and the foundation, the foundation serves as agent in connection with the investment, management, and administration of a donor estate fund. Under a similar agreement, the foundation also serves as agent for the investment and management of other university non-general funds to assist the university in its goal of achieving enhanced earnings. In addition, the foundation serves as agent and maintains investments for the Virginia Tech Alumni Association Inc., Virginia Tech Services Inc., and certain other associations.

The following is a summary of agency deposits held in trust at June 30, 2024 *(all dollars in thousands):*

University - Pratt Estate	$ 47,639
University - other	563,807
Virginia Tech Alumni Association Inc.	5,018
Virginia Tech Services Inc	6,093
Other	71,864
Total agency deposits held in trust	$ 694,421

Leases - Virginia Tech Foundation Inc.

Operating leases – Foundation as lessor

The foundation rents facilities to unrelated third parties, as well as various university departments and other university-related entities. For the year ended June 30, 2024, rental income of $30,656 and $811 was earned from the university and Virginia Tech Applied Research Corporation, respectively. In addition, the foundation provides facilities for the use of various university departments at no charge or below market rates to the university. The fair value rental for this property in excess of actual rental income received totaled $11,371 and is included in other operating revenues and other operating expenses in the Virginia Tech Foundation *Statement of Revenues, Expenses, and Changes in Net Position* found on page 21.

Future minimum lease payments receivable under facility leases as of June 30, 2024 are as follows *(all dollars in thousands):*

	Related Parties	Other	Total
Year ending June 30,			
2025	$ 15,825	$ 8,928	$ 24,753
2026	14,373	5,696	20,069
2027	12,287	3,735	16,022
2028	10,060	3,263	13,323
2029	8,637	3,042	11,679
Thereafter	20,590	13,071	33,661
Total	$ 81,772	$ 37,735	$ 119,507

Direct financing leases-Foundation as lessor

The foundation records its net investment in direct financing leases as the minimum future lease payments receivable plus the estimated residual value of leased assets, net of unearned lease income and allowance for credit losses. Unearned lease income is the amount by which the total lease receivable plus the estimated residual value exceeds the cost of the asset. The foundation considers current information and events regarding the lessee's ability to pay their obligations, historical experience, and reasonable and supportable forecasts in estimating the allowance for credit losses related to the foundation's direct financing leases. Based on management's assessment, it was determined an allowance for credit losses at June 30, 2024 would be immaterial.

The following table presents the foundation's leases with the university as of June 30, 2024 *(all dollars in thousands):*

Lease Commencement Date	Leased Property	Annual Payments	Lease Termination Date
2009	Building	$ 2,205	2029
2013	Building/parking garage	$ 3,498	2036
2014	Building	$ 72	2044
2015	Building	$ 914	2038
2016	Land	$ 35	2036
2017	Land	$ 104	2037
2019	Building	$ 280	2039
2019	Building	$ 1,178	2039
2020	Building	$ 178	2040
2020	Building	$ 160	2027
2022	Building	$ 5,508	2043
2023	Building	$ 2,515	2043

27. Notes to Component Unit Statements, continued

Future minimum lease payments receivable under these leases as of June 30, 2024 are as follows *(all dollars in thousands):*

	Related Parties	Other	Total
Year ending June 30,			
2025	$ 15,279	$ -	$ 15,279
2026	16,654	-	16,654
2027	16,537	-	16,537
2028	16,451	-	16,451
2029	14,429	-	14,429
Thereafter	158,483	1,663	160,146
Net minimum future lease receipts	237,833	1,663	239,496
Less unearned income	81,465	990	82,455
Net investment in direct financing leases	$ 156,368	$ 673	$ 157,041

Leases – Foundation as lessee

The foundation leases various buildings. The terms of these leases range from 1 to 7 years for operating leases and from 1 to 6 years for finance leases, expiring on various dates from 2024 to 2031. Annual payments under these agreements range from $2 to $168 for finance leases and $2 to $36 for operating leases. Rent expense under these leases amounted to $167 for finance leases and $704 for operating leases for the year ended June 30, 2024.

The foundation leases various tracts of land. The terms of these leases range from 1 to 8 years for operating leases and from 70 to 74 years for finance leases, expiring at various dates from 2024 to 2098. Annual payments under these agreements range from $1 to $33 for finance leases and $35 for operating leases. Rent expense under these leases amounted to $72 for finance leases and $35 for operating leases for the year ended June 30, 2024.

The foundation leases various equipment. The terms of these leases range from 1 to 5 years for finance leases, expiring at various dates from 2024 to 2029. Annual payments under these agreements range from $1 to $2 for finance leases. Rent expense under these leases amounted to $12 for finance leases for the year ended June 30, 2024.

The foundation's lease contracts may include options to extend or terminate the lease. The foundation exercises judgment to determine the term of those leases when such options are present and include such options in the calculation of the lease term when it is reasonably certain that it will exercise those options.

The foundation includes contract lease components in its determination of lease payments, while non-lease components of the contracts, such as taxes, insurance, and common area maintenance, are expensed as incurred. At commencement, right-of-use assets and lease liabilities are measured at the present value of future lease payments over the lease term. The foundation uses its incremental borrowing rate based on information available at the time of lease commencement to measure the present value of future payments.

Operating lease expense is recognized on a straight-line basis over the lease term. Short-term leases with an initial term of 12 months or fewer are expensed as incurred. The foundation's short-term leases have month-to-month terms.

At June 30, 2024 right-of-use assets were $704 for operating leases and $2,197 for finance leases and lease liabilities were $727 for operating leases and $2,287 for finance leases. Right-of-use assets and right-of-use liabilities are reflected in the foundation's *Statement of Net Position* found on page 20 as nondepreciable and depreciable capital assets, net and unearned revenue and other liabilities, respectively.

The weighted average remaining lease term was 50 months for operating leases and 556 months for finance leases and the weighted average discount rate was 1.43% for operating leases and 2.94% for finance leases as of June 30, 2024.

The foundation's future payments due under operating leases reconciled to the lease liability are as follows *(all dollars in thousands):*

For the year ended June 30, 2024, cash paid for lease liabilities totaled $802 for operating leases and $234 for finance leases.

	Operating Leases	Finance Leases	Total
Year ending June 30,			
2025	$ 347	$ 298	$ 645
2026	120	301	421
2027	77	220	297
2028	64	136	200
2029	37	137	174
Thereafter	107	3,851	3,958
Total undiscounted lease payments	752	4,943	5,695
Less present value discount	25	2,656	2,681
Total lease liability	$ 727	$ 2,287	$ 3,014

Photo by Katie Mallory/Virginia Tech

28. Joint Venture

The Hotel Roanoke Conference Center Commission was created by a joint resolution of the university and the City of Roanoke. The purpose of the commission is to establish and operate a publicly owned conference center in Roanoke adjacent to the renovated Hotel Roanoke. The powers of the commission are vested in commissioners. Each participating governing body appoints three commissioners for a total of six commissioners. The commission has authority to issue debt, and such debt is the responsibility of the commission. The intention of the commission is to be self-supporting through its user fees. The university and the City of Roanoke equally share in any operating deficit or additional funding needed for capital expenditures. The university made contributions of $80,000 using private funds to the commission for the fiscal year ended June 30, 2024. The administrative offices for the Hotel Roanoke Conference Center Commission are located at 110 Shenandoah Avenue, Roanoke, Virginia, 24016.

29. Jointly Governed Organizations

NRV Regional Water Authority

Created by a concurrent resolution of the university, the towns of Blacksburg and Christiansburg, and the county of Montgomery, the authority operates and maintains the water supply system for the university and the other participating governing bodies. A five-member board governs the authority with one member appointed by each governing body and one at-large member appointed by the joint resolution of each of the governing bodies. The authority's indebtedness is not an obligation of the university and is payable solely from the revenues of the authority. The university paid $1,820,000 to the authority for the purchase of water for the fiscal year ended June 30, 2024.

Blacksburg-VPI Sanitation Authority

Created by a concurrent resolution of the university and the town of Blacksburg, the authority operates and maintains the wastewater treatment system for the participating governing bodies. Each participating governing body appoints one member of the five-member board of directors. Three at-large members are appointed by the joint resolution of each of the governing bodies. The authority's indebtedness is not an obligation of the university and is payable solely from the revenues of the authority. The university paid $1,178,000 to the authority for the purchase of sewer services for the fiscal year ended June 30, 2024.

Montgomery Regional Solid Waste Authority

Created by a joint resolution of the university, the towns of Blacksburg and Christiansburg, and the county of Montgomery, the authority represents its members in solid waste and recycling issues as well as operating a recycling facility. The authority is governed by its board which is comprised of representatives from each of the four jurisdictions served. Each governing body provides collection of solid waste and recyclables from within its jurisdiction, and delivers the collected materials to the authority for disposal of the waste and processing and marketing of the recyclables. All indebtedness is the obligation of the authority and payable from its revenues. The university paid $388,000 to the authority for disposal fees for the fiscal year ended June 30, 2024.

Virginia Tech/Montgomery Regional Airport Authority

Created by a joint resolution of the university, the towns of Blacksburg and Christiansburg, and the county of Montgomery, this authority serves to develop a regional airport based on the mission of servicing corporate executive markets and other general aviation markets; obtaining grants, loans and other funding for airport improvements and other activities; and promoting and assisting regional economic development. The authority is governed by its board, which consists of five members. Each participating governing body appoints one member of the board, and jointly all governing bodies appoint the fifth member. All indebtedness is the obligation of the authority and payable from its revenues. The university's funding commitment for fiscal year 2024 was $60,000, all of which Virginia Tech paid to the authority.

New River Valley Emergency Communications Regional Authority

Created by a joint resolution of the university, towns of Blacksburg and Christiansburg, and the county of Montgomery, this authority provides 911 dispatch and emergency communication services to the people of each jurisdiction and campus. The authority is governed by its board, which consists of five members. Each participating governing body appoints one member of the board, and jointly all governing bodies appoint the fifth member. The university paid $1,006,000 to the authority for the fiscal year ended June 30, 2024.

New River Valley Passenger Rail Station Authority

Created by a joint resolution of the university; Radford University; towns of Blacksburg, Christiansburg, and Pulaski; the city of Radford; and the counties of Floyd, Giles, Montgomery, and Pulaski, this authority enables the members to share the costs of developing, owning, and operating a regional rail station. The authority is governed by its board, which consists of twenty members. Each participating governing body appoints two members of the board. The university paid $9,000 to the authority for the fiscal year ended June 30, 2024.

30. Risk Management and Employee Healthcare Plans

The university is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; nonperformance of duty; injuries to employees; and natural disasters. The university participates in insurance plans maintained by the Commonwealth of Virginia. The state employee healthcare and worker's compensation plans are administered by the Department of Human Resource Management and the risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk management insurance includes property, general liability, medical malpractice, faithful performance of duty bond, automobile, boiler and machinery, as well as air and watercraft plans. The university pays premiums to the commonwealth for the aforementioned insurance coverage. In addition, the university contracts with private insurers to provide additional fidelity bonding coverage, automobile physical damage coverage, and overseas liability coverage. Information relating to the commonwealth's insurance plans is available in the Commonwealth of Virginia's *Annual Comprehensive Financial Report.*

31. Pending Litigation

The university has been named as a defendant in a number of lawsuits. The final outcome of the lawsuits cannot be determined at this time. However, management is of the opinion that any ultimate liability to which the university may be exposed will not have a material effect upon the university's financial position.

Photo by Luke Hayes/Virginia Tech

Required Supplementary Information

Required Supplementary Information for Pension Plans

Schedule of Virginia Tech's Share of Net Pension Liability (SERP)*
For the years ended June 30, 2023-2014
(all dollars in thousands)

	Proportion of net pension liability	Proportionate share of net pension liability	Employer's covered payroll	Proportionate share of net pension liability as a percentage of employer's covered payroll	Plan fiduciary net position as a percentage of total pension liability
2023	6.14%	$ 310,820	$ 306,250	101.49%	82.19%
2022	6.17%	$ 280,125	$ 283,379	98.85%	83.26%
2021	6.28%	$ 227,619	$ 271,869	83.72%	86.44%
2020	6.35%	$ 460,400	$ 283,418	162.45%	72.15%
2019	6.42%	$ 405,894	$ 270,954	149.80%	75.13%
2018	6.46%	$ 349,811	$ 270,309	129.41%	77.39%
2017	6.55%	$ 381,766	$ 262,376	145.50%	75.33%
2016	6.58%	$ 433,375	$ 263,416	164.52%	71.29%
2015	6.52%	$ 398,980	$ 246,888	161.60%	72.81%
2014	6.30%	$ 352,916	$ 243,099	145.17%	74.28%

Schedule of Virginia Tech's Share of Net Pension Liability (VaLORS)*
For the years ended June 30, 2023-2014
(all dollars in thousands)

	Proportion of net pension liability	Proportionate share of net pension liability	Employer's covered payroll	Proportionate share of net pension liability as a percentage of employer's covered payroll	Plan fiduciary net position as a percentage of total pension liability
2023	0.81%	$ 5,270	$ 3,007	175.26%	74.91%
2022	0.75%	$ 4,738	$ 2,535	186.90%	74.41%
2021	0.66%	$ 3,435	$ 2,296	149.61%	78.18%
2020	0.64%	$ 5,024	$ 2,367	212.25%	65.74%
2019	0.66%	$ 4,557	$ 2,293	198.74%	68.31%
2018	0.66%	$ 4,144	$ 2,294	180.65%	69.56%
2017	0.67%	$ 4,397	$ 2,315	189.94%	67.22%
2016	0.67%	$ 5,201	$ 2,328	223.41%	61.01%
2015	0.66%	$ 4,716	$ 2,247	209.88%	62.64%
2014	0.70%	$ 4,706	$ 2,461	191.22%	63.05%

**The amounts presented have a measurement date of the previous fiscal year end.*

Schedule of Virginia Tech's Pension Contributions (SERP)
For the years ended June 30, 2024 - 2015
(all dollars in thousands)

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of employer's covered payroll
2024	$ 48,281	$ 48,281	$ -	$ 336,824	14.33%
2023	$ 44,415	$ 44,415	$ -	$ 306,250	14.50%
2022	$ 41,085	$ 41,085	$ -	$ 283,379	14.50%
2021	$ 39,309	$ 39,309	$ -	$ 271,869	14.46%
2020	$ 37,758	$ 37,758	$ -	$ 283,418	13.32%
2019	$ 36,003	$ 36,003	$ -	$ 270,954	13.29%
2018	$ 36,466	$ 36,466	$ -	$ 270,309	13.49%
2017	$ 35,348	$ 35,348	$ -	$ 262,376	13.47%
2016	$ 36,931	$ 36,931	$ -	$ 263,416	14.00%
2015	$ 30,392	$ 30,392	$ -	$ 246,488	12.30%

Schedule of Virginia Tech's Pension Contributions (VaLORS)
For the years ended June 30, 2024 - 2015
(all dollars in thousands)

	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of employer's covered payroll
2024	$ 801	$ 801	$ -	$ 3,290	24.35%
2023	$ 746	$ 746	$ -	$ 3,007	24.81%
2022	$ 557	$ 557	$ -	$ 2,535	21.97%
2021	$ 512	$ 512	$ -	$ 2,296	22.30%
2020	$ 503	$ 503	$ -	$ 2,367	21.25%
2019	$ 496	$ 496	$ -	$ 2,293	21.63%
2018	$ 483	$ 483	$ -	$ 2,294	21.05%
2017	$ 487	$ 487	$ -	$ 2,315	21.04%
2016	$ 439	$ 439	$ -	$ 2,328	18.86%
2015	$ 397	$ 397	$ -	$ 2,247	17.67%

Notes to Required Supplementary Information for Pension Plans

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

VRS – State Employee Retirement Plans (SERP)

Mortality Rates (Pre-retirement, post-retirement, healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/ Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

VaLORS Retirement Plan

Mortality Rates (Pre-retirement, post-retirement, healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Photo by Luke Hayes/Virginia Tech

Required Supplementary Information for Other Postemployment Benefit Plans

Schedule of Virginia Tech's Share of OPEB Liability (Asset)
For the years ended June 30, 2023-2017
(all dollars in thousands)

	Year	PMRH	VSDP	GLI	HIC	LODA
Employer's proportion of the collective total OPEB liability (asset)	2023	9.25%	3.52%	3.07%	8.79%	0.24%
	2022	9.12%	3.58%	3.06%	8.77%	0.25%
	2021	9.02%	3.69%	3.03%	8.66%	0.25%
	2020	8.93%	3.72%	3.03%	8.63%	0.23%
	2019	8.72%	3.79%	2.99%	8.59%	0.24%
	2018	8.53%	3.81%	2.95%	8.32%	0.23%
	2017	8.34%	3.79%	2.87%	8.19%	0.25%
Employer's proportionate share of the collective total OPEB liability (asset)	2023	$ 32,558	$ (11,134)	$ 36,765	$ 72,261	$ 968
	2022	$ 33,126	$ (10,575)	$ 36,809	$ 71,844	$ 933
	2021	$ 40,472	$ (12,709)	$ 35,260	$ 73,126	$ 1,103
	2020	$ 50,797	$ (8,213)	$ 50,486	$ 79,244	$ 957
	2019	$ 59,214	$ (7,438)	$ 48,635	$ 79,327	$ 868
	2018	$ 85,746	$ (8,583)	$ 44,770	$ 75,868	$ 735
	2017	$ 108,278	$ (7,790)	$ 43,235	$ 74,567	$ 663
Employer's covered payroll (where applicable)	2023		$ 178,588	$ 722,110	$ 721,504	
	2022		$ 164,921	$ 664,979	$ 664,536	
	2021		$ 159,351	$ 625,278	$ 623,963	
	2020		$ 161,260	$ 622,611	$ 621,914	
	2019		$ 153,447	$ 585,890	$ 585,614	
	2018		$ 147,739	$ 553,929	$ 558,853	
	2017		$ 142,553	$ 526,681	$ 531,560	
Proportionate share of the collective total OPEB liability (asset) as a percentage of employer's covered payroll	2023		6.23%	5.09%	10.02%	
	2022		6.41%	5.54%	10.81%	
	2021		7.98%	5.64%	11.72%	
	2020		5.09%	8.11%	12.74%	
	2019		4.85%	8.30%	13.55%	
	2018		5.81%	8.08%	13.58%	
	2017		5.46%	8.21%	14.03%	
Covered-employee payroll (where applicable)	2023	$ 751,554				N/A*
	2022	$ 689,890				N/A*
	2021	$ 643,930				N/A*
	2020	$ 642,357				N/A*
	2019	$ 601,489				N/A*
	2018	$ 575,313				N/A*
	2017	$ 548,609				N/A*
Proportionate share of the collective total OPEB liability (asset) as a percentage of covered-employee payroll	2023	4.33%				N/A*
	2022	4.80%				N/A*
	2021	6.29%				N/A*
	2020	7.91%				N/A*
	2019	9.84%				N/A*
	2018	14.90%				N/A*
	2017	19.74%				N/A*
Plan Fiduciary Net Position as a percentage of the total OPEB liability (asset)	2023	N/A	199.05%	69.30%	25.46%	1.31%
	2022	N/A	195.90%	67.21%	21.52%	1.87%
	2021	N/A	229.01%	67.45%	19.75%	1.68%
	2020	N/A	181.88%	52.64%	12.02%	1.02%
	2019	N/A	167.18%	52.00%	10.56%	0.79%
	2018	N/A	194.74%	51.22%	9.51%	0.60%
	2017	N/A	186.63%	48.86%	8.03%	1.30%

**The contributions for the Line of Duty Act Program (LODA) are based on the number of participants in the program using a per capita-based contribution versus a payroll-based contribution.*

This schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, only seven years are available. Additional years will be included as they become available.

Schedule of Virginia Tech's Share of OPEB Contributions
For the years ended June 30, 2024-2018
(*all dollars in thousands*)

	Year	VSDP	GLI	HIC	LODA*
Contractually required contribution	2024	$ 1,117	$ 4,141	$ 8,912	$ 42
	2023	$ 1,088	$ 3,740	$ 8,047	$ 42
	2022	$ 998	$ 3,584	$ 7,429	$ 32
	2021	$ 971	$ 3,397	$ 7,050	$ 34
	2020	$ 968	$ 3,231	$ 7,262	$ 31
	2019	$ 950	$ 3,039	$ 6,836	$ 32
	2018	$ 977	$ 2,880	$ 6,653	$ 25
Contributions in relation to contractually required contribution	2024	$ 1,117	$ 4,141	$ 8,912	$ 42
	2023	$ 1,088	$ 3,740	$ 8,047	$ 42
	2022	$ 998	$ 3,584	$ 7,429	$ 32
	2021	$ 971	$ 3,397	$ 7,050	$ 34
	2020	$ 968	$ 3,231	$ 7,262	$ 31
	2019	$ 950	$ 3,039	$ 6,836	$ 32
	2018	$ 977	$ 2,880	$ 6,653	$ 25
Contribution deficiency (excess)	2024	$ -	$ -	$ -	$ -
	2023	$ -	$ -	$ -	$ -
	2022	$ -	$ -	$ -	$ -
	2021	$ -	$ -	$ -	$ -
	2020	$ -	$ -	$ -	$ -
	2019	$ -	$ -	$ -	$ -
	2018	$ -	$ -	$ -	$ -
Employer's covered payroll (where applicable)	2024	$ 194,558	$ 798,455	$ 797,971	$ 3,680
	2023	$ 178,588	$ 722,110	$ 721,504	$ 3,272
	2022	$ 164,921	$ 664,979	$ 664,536	$ 2,734
	2021	$ 159,351	$ 625,278	$ 623,963	$ 2,455
	2020	$ 161,260	$ 622,611	$ 621,914	$ 2,419
	2019	$ 153,447	$ 585,890	$ 585,614	$ 2,297
	2018	$ 147,739	$ 553,929	$ 558,853	$ 2,843
Contributions as a percentage of employer's covered payroll	2024	0.57%	0.52%	1.12%	1.14%
	2023	0.61%	0.52%	1.12%	1.28%
	2022	0.61%	0.54%	1.12%	1.17%
	2021	0.61%	0.54%	1.13%	1.38%
	2020	0.60%	0.52%	1.17%	1.28%
	2019	0.62%	0.52%	1.17%	1.39%
	2018	0.66%	0.52%	1.19%	0.88%

**The contributions for the Line of Duty Act Program (LODA) are based on the number of participants in the program using a per capita-based contribution versus a payroll-based contribution.*

This schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, only seven years are available. Additional years will be included as they become available.

Notes to Required Supplementary Information for Other Postemployment Benefit Plans

PMRH program

There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms – There have been no changes to the benefit provisions since the prior actuarial valuation.

Changes of assumptions – There were not any changes in assumptions since the June 30, 2022, measurement date. The following remained constant since the prior measurement date:

Spousal coverage – rate remained at 20%
Retiree participation – rate remained at 35%

Retiree participation was based on a blend of recent experience and the prior year assumptions.

The trend rates were updated based on economic conditions as of June 30, 2023. Additionally, the discount rate was increased from 3.54% to 3.65% based on the Bond Buyers GO 20 Municipal Bond Index as of June 30, 2023.

VSDP, GLI, HIC, and LODA programs

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General State Employees (VSDP, GLI, HIC, LODA)

Mortality Rates (Pre- retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change (Discount rate does not apply to LODA)

Teachers (GLI)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

SPORS Employees (VSDP, GLI, HIC, LODA)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020. Increased disability life expectancy for VSDP and LODA.
Retirement Rates	Increased rates for ages 55 to 61, 63, and 64 with 26 or more years of service; changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rate for 0 years of service and increased rates for 1 to 6 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change (Discount rate does not apply to LODA)

VaLORS Employees (VSDP, GLI, HIC, LODA)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020. Increased disability life expectancy for VSDP and LODA.
Retirement Rates	Increased rates at some younger ages, decreased at age 62, and changed final retirement age from 65 to 70
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change (Discount rate does not apply to LODA)

JRS (GLI, HIC)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Review separately from State employees because exhibit fewer deaths. Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Decreased rates for ages 60-66 and 70-72
Withdrawal Rates	No change
Disability Rates	No change
Salary Scale	Reduce increases across all ages by 0.50%
Discount Rate	No change

Largest Ten Locality Employers – General Employees (GLI)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers – General Employees (GLI)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Largest Ten Locality Employers – Hazardous Duty Employees (GLI)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers – Hazardous Duty Employees (GLI)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Largest Ten Locality Employers with Public Safety Employees (LODA)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Non-Largest Ten Locality Employers with Public Safety Employees (LODA)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Optional Supplementary Information

Virginia Tech Foundation Inc.

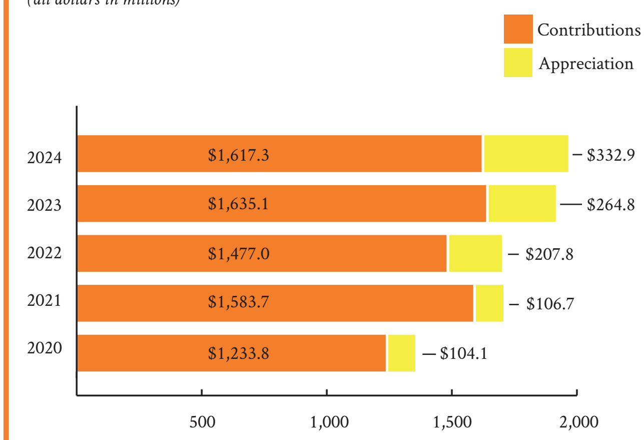
The purpose of Virginia Tech Foundation Inc. (VTF) is to receive, invest, and manage private funds given for the support of programs at Virginia Tech and to foster and promote the growth, progress, and general welfare of the university. The information presented on this page is categorized as presented in the foundation's audited financial statements that follow the Financial Accounting Standards Board (FASB) presentation requirements

During the current fiscal year, the foundation recognized $178.3 million in contributions for support of the university. Investment income of $21.2 million along with net gain on investments of $103.6 million resulted in a $124.8 million net gain on investment activity. Property rental and hotel operating income totaled $86.7 million. Other income accounted for $17.7 million.

Total income of $407.5 million was offset by $246.8 million in expenses that supported the university and its programs. Direct support to various university programs aggregated $158.7 million, which included $44.9 million in scholarship support to students and faculty and $10.5 million towards university capital projects. Additional expenses such as fundraising, management and general, research center, hotel operating, golf course, and other costs totaled $88.2 million. Total net position increased by $159.1 million over the previous year and includes the increase in the valuation of split-interest agreements offset by income tax expense.

VTF Endowment Market Value*

For the years ended June 30, 2024-2020
(all dollars in millions)

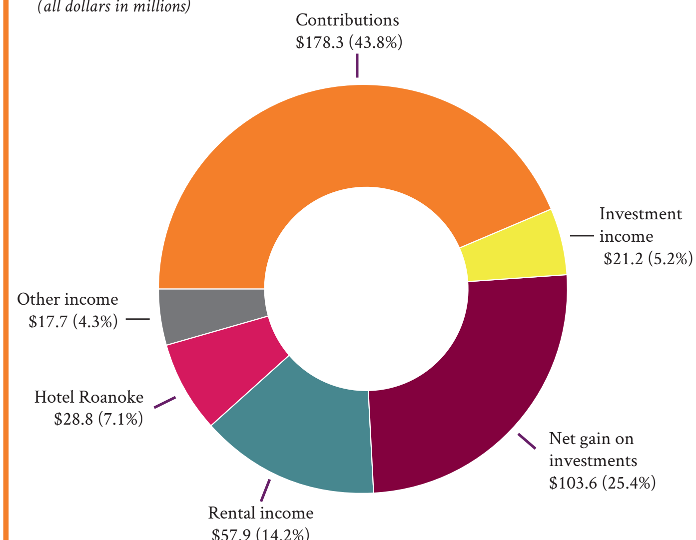


**Source: Virginia Tech Investment Managers, unaudited*

Market value of endowment funds includes agency deposit held in trust of $694.4 million.

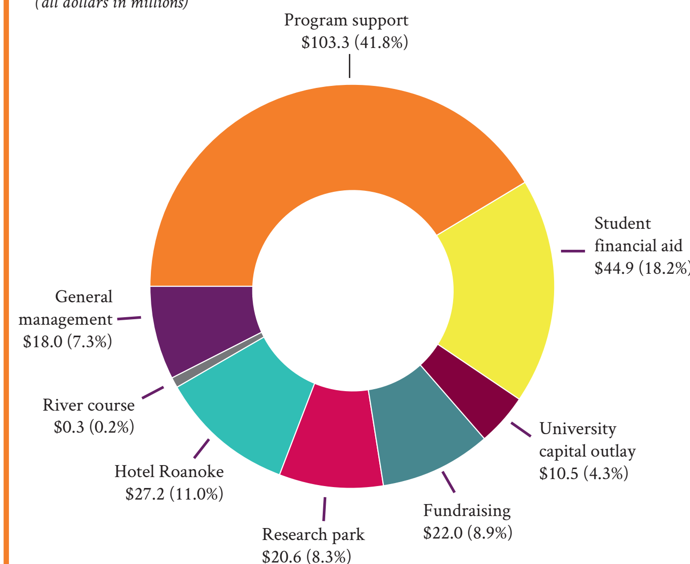
VTF Revenues, Gains, and Other Support

For the year ended June 30, 2024
(all dollars in millions)



VTF Expenses

For the year ended June 30, 2024
(all dollars in millions)



Affiliated Corporations Financial Highlights

For the years ended June 30, 2024 - 2020
(all dollars in thousands)

	2024	2023	2022	2021	2020
Assets					
Virginia Tech Foundation Inc.	$ 3,026,297	$ 2,838,340	$ 2,667,802	$ 2,687,603	$ 2,265,838
Virginia Tech Innovation Corporation	9,974	10,326	11,311	9,145	9,488
Virginia Tech Services Inc.	12,869	11,449	8,677	7,380	7,311
Virginia Tech Applied Research Corporation	13,555	10,609	5,827	4,610	4,219
Virginia Tech Intellectual Properties Inc.	4,046	3,574	2,752	2,102	1,735
Total Assets	$ 3,066,741	$ 2,874,298	$ 2,696,369	$ 2,710,840	$ 2,288,591
Revenues					
Virginia Tech Foundation Inc.	$ 407,475	$ 336,472	$ 248,744	$ 465,260	$ 210,179
Virginia Tech Innovation Corporation	8,404	6,156	7,020	4,731	4,921
Virginia Tech Services Inc.	4,853	4,374	3,938	2,533	4,172
Virginia Tech Applied Research Corporation	21,135	20,840	18,949	13,419	11,233
Virginia Tech Intellectual Properties Inc.	4,605	3,912	3,075	2,502	2,052
Total Revenues	$ 446,472	$ 371,754	$ 281,726	$ 488,445	$ 232,557
Expenses					
Virginia Tech Foundation Inc.	$ 246,857	$ 220,582	$ 242,232	$ 155,779	$ 180,673
Virginia Tech Innovation Corporation	8,635	7,437	6,767	5,347	6,612
Virginia Tech Services Inc.	2,887	2,881	3,130	2,433	3,438
Virginia Tech Applied Research Corporation	20,033	19,421	17,930	13,262	11,415
Virginia Tech Intellectual Properties Inc.	3,953	3,437	2,888	2,138	2,016
Total Expenses	$ 282,365	$ 253,758	$ 272,947	$ 178,959	$ 204,154

The organizations included above are related to the university by affiliation agreements. These agreements, approved by the Virginia Tech Board of Visitors, require an annual audit to be performed by independent auditors. These auditors have examined the financial records of the organizations presented in the table above and copies of their audit reports have been provided to the university. Values presented in this table are based solely upon these audit reports and do not include any consolidation entries to alter these amounts. Affiliated organizations that hold no financial assets and certify all financial activities or transactions through the Virginia Tech Foundation Inc. may be exempt from the independent audit requirement. Virginia Tech Athletic Fund Inc., Virginia Tech Corps of Cadets Alumni Inc., and Virginia Tech Alumni Association meet exemption requirements and are not presented separately in this table. Additionally, Virginia Tech India Research and Education Forum (VTIREF) is not presented in this table due to the immateriality of its financial figures in comparison with the organizations included.

Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

November 18, 2024

The Honorable Glenn Youngkin, Governor of Virginia

Joint Legislative Audit and Review Commission

Board of Visitors, Virginia Polytechnic Institute and State University

President Timothy D. Sands, President, Virginia Polytechnic Institute and State University

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of **Virginia Polytechnic Institute and State University** (Virginia Tech) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Virginia Tech's basic financial statements and have issued our report thereon dated November 18, 2024. Our report includes a reference to another auditor who audited the financial statements of the component unit of Virginia Tech, as described in our report on Virginia Tech's financial statements. The other auditors did not audit the financial statements of the component unit of Virginia Tech in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the component unit of the University.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Virginia Tech's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Virginia Tech's internal control. Accordingly, we do not express an opinion on the effectiveness of Virginia Tech's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control titled "Properly Complete Federal Verification Prior to Disbursing Title IV Aid," which is described in the section titled "Internal Control and Compliance Finding and Recommendation," that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Virginia Tech's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the section titled "Internal Control and Compliance Finding and Recommendation" in the finding titled "Properly Complete Federal Verification Prior to Disbursing Title IV Aid."

The University's Response to Findings

We discussed this report with management at an exit conference held on November 21, 2024. Government Auditing Standards require the auditor to perform limited procedures on the University's response to the findings identified in our audit, which is included in the accompanying section titled "University Response." The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Status of Prior Findings

The University has taken adequate corrective action with respect to prior audit findings identified as complete in the Findings Summary included in the Appendix.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

AUDITOR OF PUBLIC ACCOUNTS

MBR/vks

AUDIT SUMMARY

We have audited the basic financial statements of Virginia Polytechnic Institute and State University (Virginia Tech) as of and for the year ended June 30, 2024, and issued our report thereon, dated November 18, 2024. Our report, included in Virginia Tech's Annual Financial Report, is available at the Auditor of Public Accounts' website at www.apa.virginia.gov and at Virginia Tech's website at www.vt.edu. Our audit found:

- the financial statements are presented fairly, in all material respects;
- one matter involving internal control and its operation necessary to bring to management's attention that also represents an instance of noncompliance with applicable laws and regulations or other matters that is required to be reported; and
- adequate corrective action with respect to prior audit findings and recommendations identified as complete in the Findings Summary included in the Appendix.

Our audit also included testing over the major federal program of the Student Financial Assistance Programs Cluster for the Commonwealth's Single Audit as described in the U.S. Office of Management and Budget Compliance Supplement; and found one internal control finding requiring management's attention and an instance of noncompliance in relation to this testing.

In the section titled "Internal Control and Compliance Finding and Recommendation" we have included our assessment of the conditions and causes resulting in the internal control and compliance finding identified through our audit as well as recommendations for addressing that finding. Our assessment does not remove management's responsibility to perform a thorough assessment of the conditions and causes of the findings and develop and appropriately implement adequate corrective actions to resolve the finding as required by the Department of Accounts in Topic 10205 – Agency Response to APA Audit of the Commonwealth Accounting Policies and Procedures Manual. Those corrective actions may include additional items beyond our recommendation.

INTERNAL CONTROL AND COMPLIANCE FINDING AND RECOMMENDATION

Properly Complete Federal Verification Prior to Disbursing Title IV Aid
Type: Internal Control and Compliance
Severity: Significant Deficiency

Virginia Tech personnel did not properly complete the federal verification process prior to disbursing Title IV aid. Management indicated the errors were due to a combination of factors including an error by the third-party vendor and an internal error in the computer logic that assigns students to specific tracking groups for required follow-up. We noted the following instances of noncompliance:

- For two out of 33 (6%) students flagged for verification, Virginia Tech staff did not request or obtain appropriate documentation to verify applications prior to awarding Title IV aid totaling $11,877.
- In one of 25 (4%) students tested, the third-party vendor verified an incorrect amount for the Education Tax Credit.

In accordance with Title 34 U.S. Code of Federal Regulations (CFR) § 668.54 through 34 CFR § 668.57, an institution must require an applicant whose Free Application for Federal Student Aid (FAFSA) information has been selected for verification to verify the information required by the Secretary. Free Application for Federal Student Aid (FAFSA) Information to be Verified for the 2023–2024 Award Year, Federal Register 87 F.R. 40826 outlines the information the Secretary requires to be verified and the acceptable documentation by Verification Tracking Flag and Verification Tracking Group. Further, in accordance with U.S. Department of Education (ED) Electronic Announcement GRANTS 24-04, published on April 12, 2024, Virginia Tech is required to verify all recipients selected for verification by ED's Central Processing System (CPS) unless a recipient is exempt from verification in accordance with the exclusions from verification provided for in the regulations at 34 CFR 668.54(b). By not performing or improperly performing the necessary verification, Virginia Tech may provide financial aid disbursements to students based upon inaccurate information.

Management should ensure the logic used in the student information system to assign students to Verification Tracking Groups is accurate. Management should implement corrective action to prevent future noncompliance and should consider implementing a quality control review to ensure that University personnel obtain, review, and retain acceptable documentation for audit purposes.

APPENDIX

FINDINGS SUMMARY

Finding Title	Status of Corrective Action*	First Reported for Fiscal Year
Improve Compliance over Enrollment Reporting	Complete	2018
Properly Complete Federal Verification Prior to Disbursing Title IV Aid	Ongoing	2024

* A status of **Complete** indicates adequate corrective action taken by management. **Ongoing** indicates new and/or existing findings that require management's corrective action as of fiscal year end.

University Controller (MC 0312)
North End Center, Suite 3300, Virginia Tech
300 Turner Street NW
Blacksburg, Virginia 24061
P: (540) 231-6418 F: (540) 231-7221
www.co.vt.edu

January 21, 2025

Staci Henshaw, CPA
Auditor of Public Accounts
P. O. Box 1295
Richmond, VA 23218

Dear Ms. Henshaw:

We have reviewed the audit finding and recommendation resulting from the 2024 audit by the Auditor of Public Accounts. The university concurs with the finding and provides the following response.

University Response:

Virginia Tech updated the Banner tracking group logic to ensure verification is requested timely and reviewed all 2023-24 verification files ensuring required documents were on file. The university will include a weekly random sample of files flagged for verification and confirm that documentation is complete prior to disbursement. The university will provide additional annual training and a documentation requirements checklist to improve Specialist completion of the verification process and ensure consistent handling and retention of all required documents.

Responsible Person: Nicci Ratcliff, Associate Director for Processing Operations

Completion Date: July 31, 2025

Sincerely,

DocuSigned by:
Melinda West
FC2A3844762F4FF...
Melinda J. West, MBA CPA
Associate Vice President for Finance and
University Controller

Administrative Officers

Virginia Tech Board of Visitors

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David Calhoun (Vice Rector)
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Donald Horsley
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L. Chris Petersen
John Rocovich
Jeff Veatch

Academic Deans

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College of Agriculture and Life Sciences

Tsai Lu Liu
College of Architecture, Arts, and Design

Julia M. Ross
College of Engineering / Special Advisor to the President

Aimée Surprenant
College of Graduate Education

Paul Knox
Honors College

Laura Belmonte
College of Liberal Arts and Human Sciences

Paul M. Winistorfer
College of Natural Resources and Environment

Saonee Sarker
Pamplin College of Business

Kevin T. Pitts
College of Science

Tyler O. Walters
University Libraries

M. Daniel Givens
Virginia-Maryland College of Veterinary Medicine

Lee A. Learman
Virginia Tech Carilion School of Medicine

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Associate Vice President for Finance and University Controller

Timothy L. Hodge
Associate Vice President for Budget & Financial Planning

Robert T. Mann
Assistant Vice President for Capital Assets & Financial Management

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President

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Executive Vice President and Provost

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Executive Vice President and Chief Operating Officer

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Senior Vice President and Chief Research and Innovation Officer

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Vice President and Executive Director, Innovation Campus

Charles D. Phlegar
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Vice President for Audit, Risk, and Compliance and Chief Risk Officer

Lynsay Belshe
Vice President of Auxiliary and Business Services

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Tracy Vosburgh
Vice President of Communications and Marketing

Simon P. M. Allen
Vice President for Finance and Chief Financial Officer

Chris Yianilos
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Sharon P. Pitt
Vice President for Information Technology and Chief Information Officer

Guru Ghosh
Vice President for Outreach and International Affairs

Kim T. O'Rourke
Vice President for Policy and Governance

Menah Pratt
Vice President for Strategic Affairs and Diversity

Steven H. McKnight
Vice President for Strategic Alliances

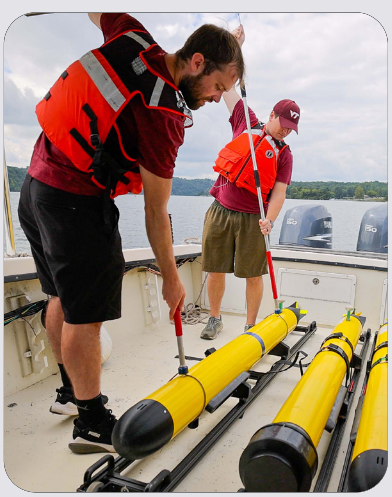
Lisa J. Wilkes
Vice President for Strategic Initiatives / Special Assistant to the President

Frances Keene
Vice President for Student Affairs







Photos courtesy of Communications and Marketing/Virginia Tech

Prepared by the Virginia Tech Office of the University Controller
Published January 2025
This report and reports from prior years are available at
www.controller.vt.edu/financialreporting.html

Auditor of Public Accounts Report on Intercollegiate Athletics Program

Melinda West

Associate Vice President For Finance and University Controller

March 24, 2025

NCAA Annual Report Overview

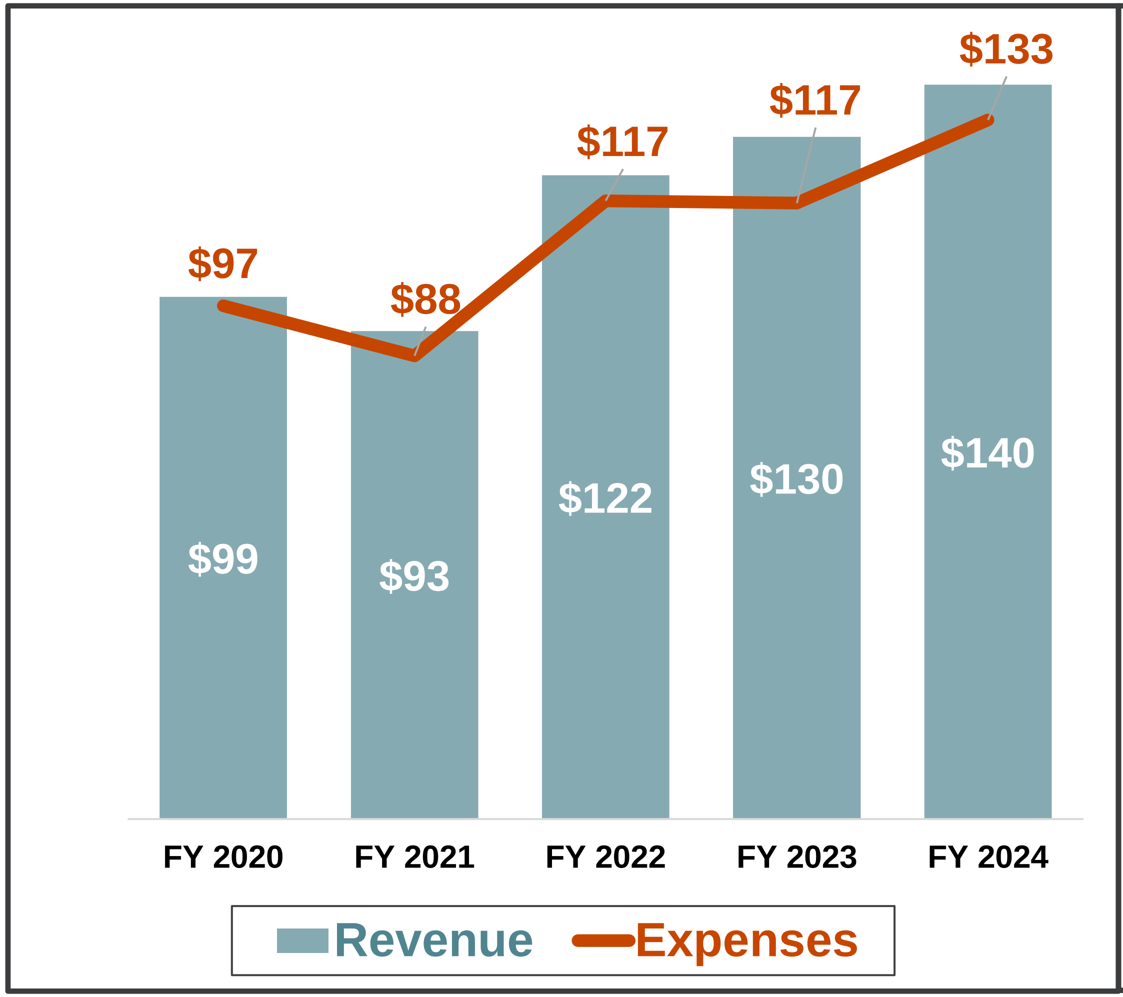
- National Collegiate Athletic Association (NCAA) constitution requires an annual Schedule of Revenues and Expenses of Intercollegiate Athletics Program (Schedule)

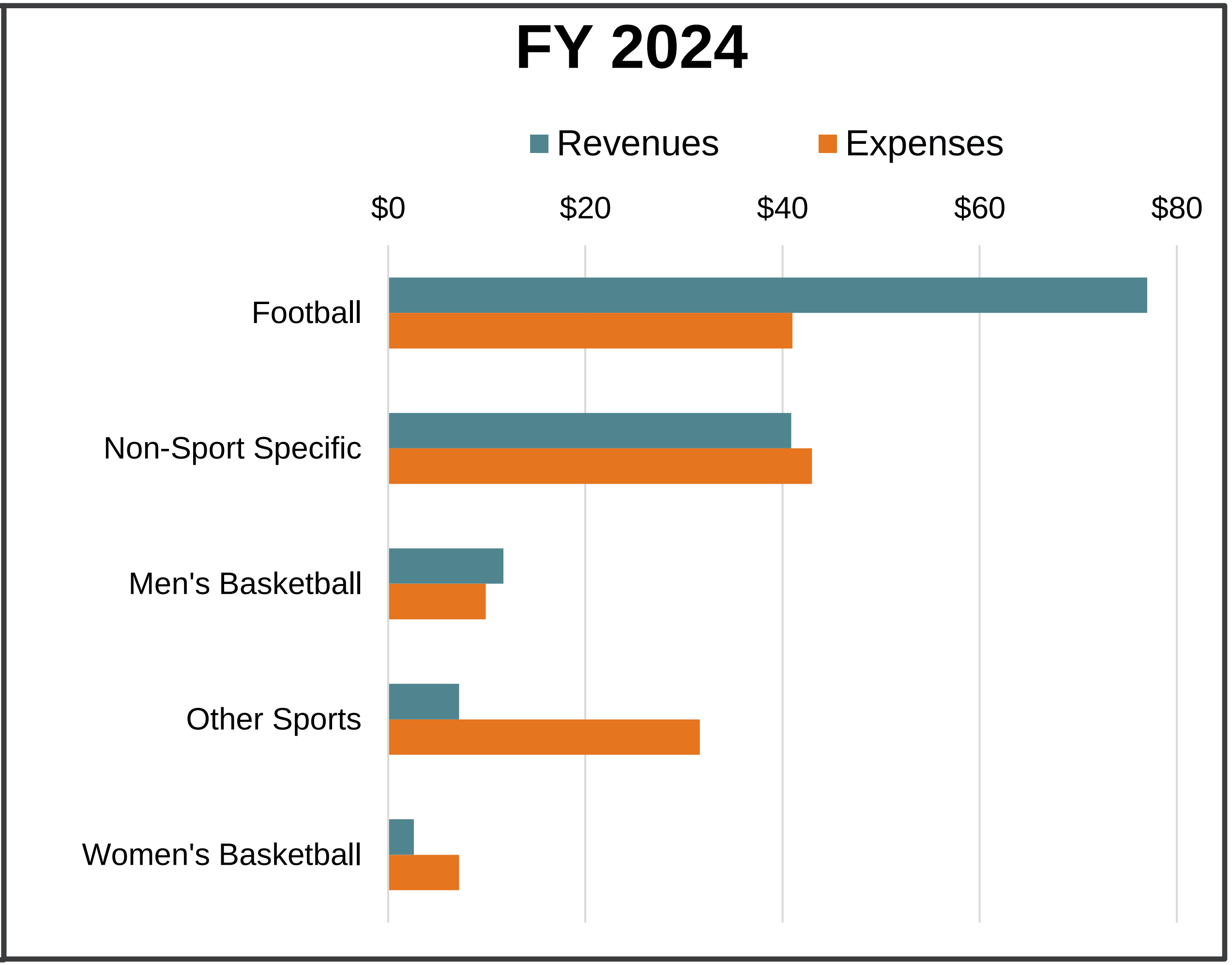
- Auditor of Public Accounts (APA) performs certain agreed-upon procedures to evaluate whether the university's Schedule complies with NCAA rules

- The university is not aware of any matters identified by the APA requiring adjustments to the Schedule

Intercollegiate Athletics Program Revenues & Expenses

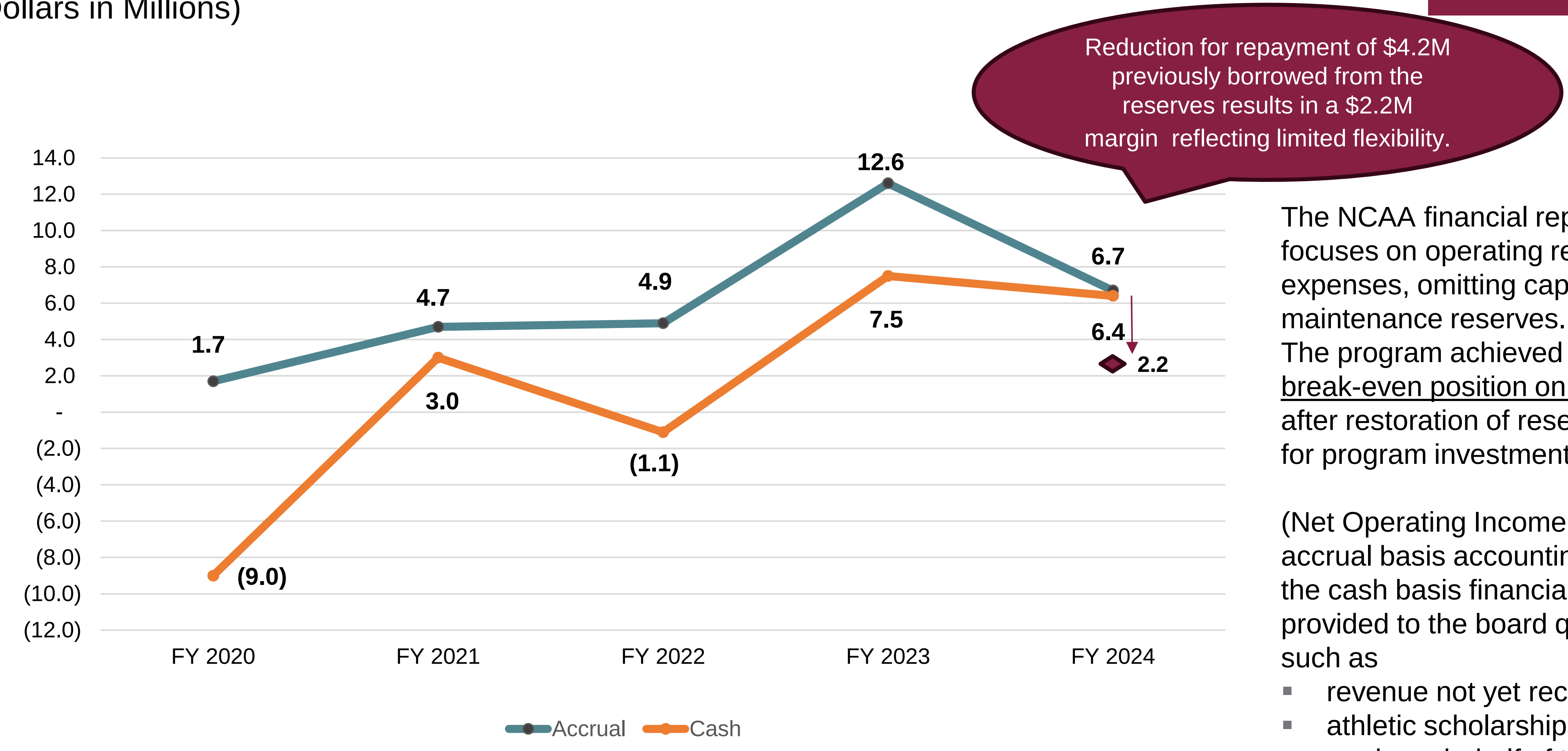
For the years ended June 30, 2020 - 2024
(Dollars in Millions)





Intercollegiate Athletics Program Net Operating Income (Deficit)

For the years ended June 30, 2020 – 2024
(Dollars in Millions)



The NCAA financial reporting framework focuses on operating revenues and expenses, omitting capital outlay and maintenance reserves.
The program achieved an approximate break-even position on a cash basis in FY24 after restoration of reserves previously used for program investments.

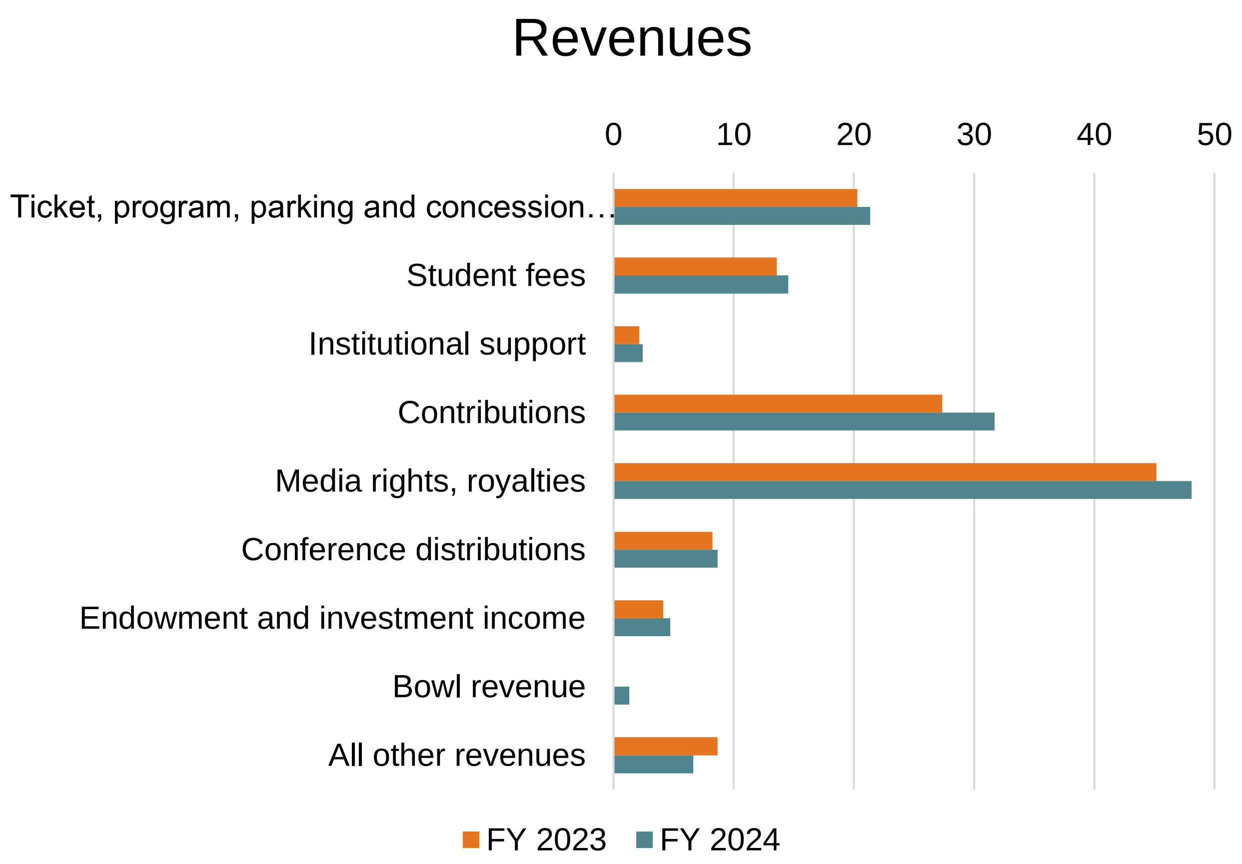
(Net Operating Income in the Schedule is accrual basis accounting and differs from the cash basis financial performance report provided to the board quarterly for activities such as

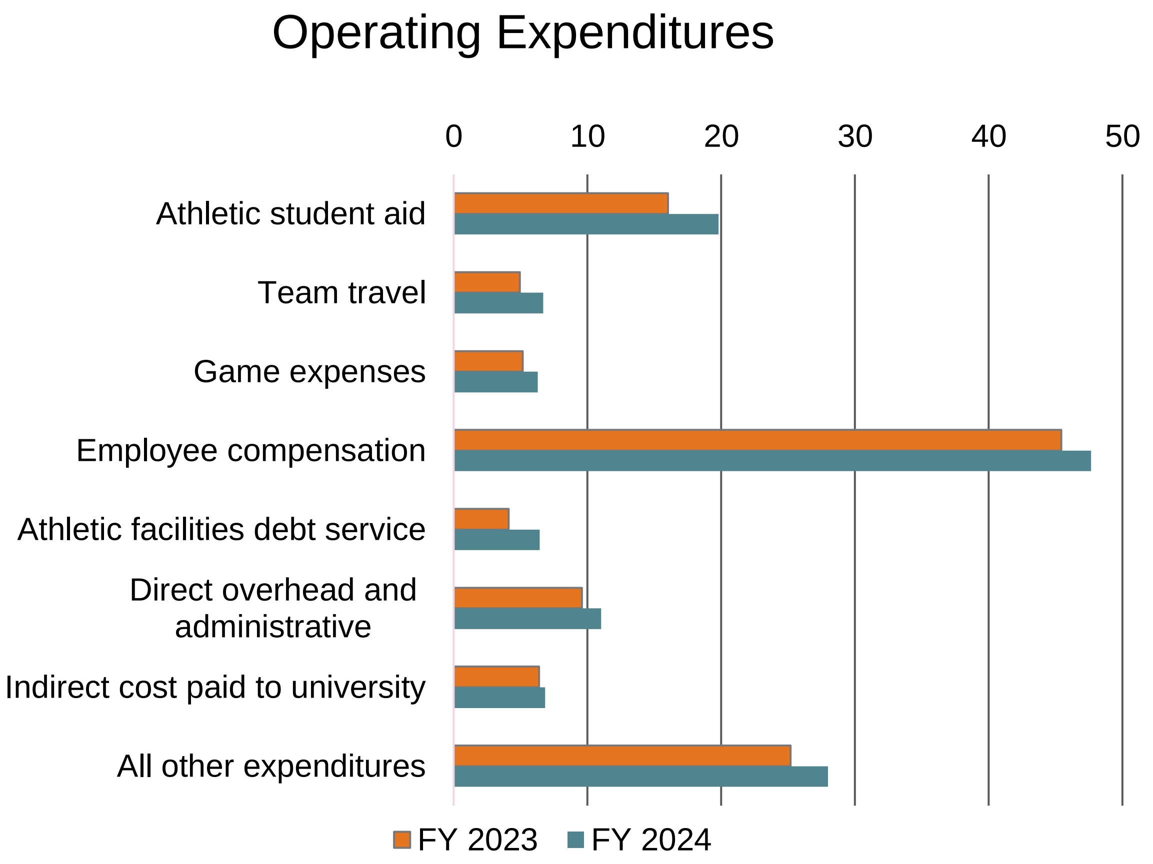
- revenue not yet received
- athletic scholarships and other expenses made on behalf of the university by the foundation
- discounted or free apparel and equipment contract items)

Operating Revenues and Expenditures

For the years ended June 30, 2023 and 2024
(Dollars in Millions)

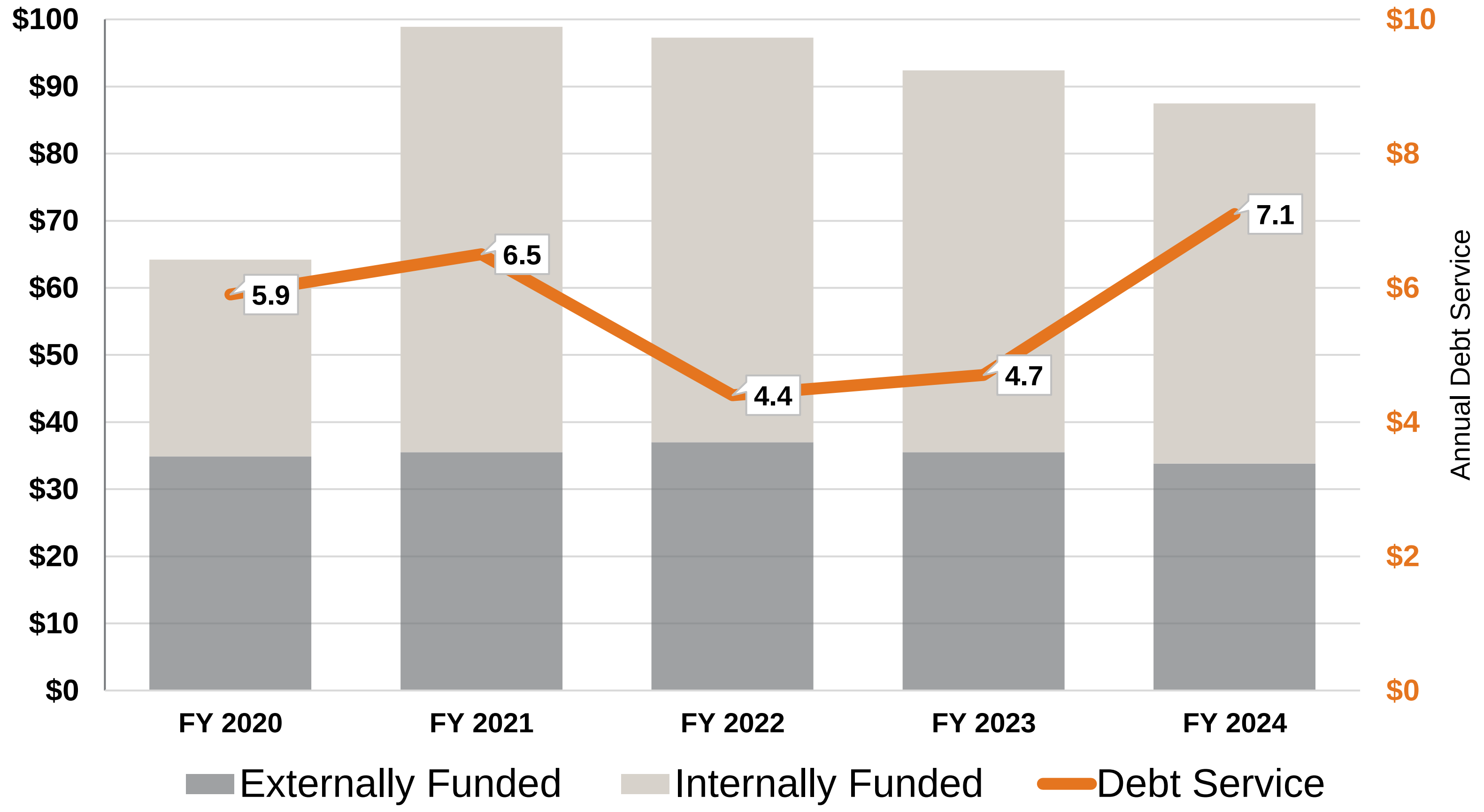
Increased contributions from the Virginia Tech Foundation of $4.4M covered increased student scholarships and the academic incentive payments.





Intercollegiate Athletics Program Long-Term Debt

For the years ended June 30, 2020 – 2024
(Dollars in Millions)



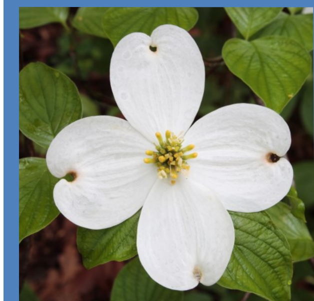
- External bond covenants require operating reserves equal to 25% of annual operating expense.
- Long-term debt in the Schedule does not reflect amounts temporarily borrowed from the auxiliary reserve totaling $5.3M at yearend.

*Debt service decreased due to refunding of debt resulting in no payments on external debt until FY 2024.

Discussion

Intercollegiate Athletics Program
Reconciliation of Cash to NCAA Report
For the years ended June 30, 2024
(Dollars in Millions)

	Revenues	Expenses	Net Income/Deficit
Cash basis per BOV Financial Performance Report	$ 105.7	$ 99.4	$ 6.3
Accounts Receivable			
Reversal of FY2023 revenue accruals	(15.9)		(15.9)
FY2024 revenue received in FY2025	11.5		11.5
NCAA Adjustments FY2024			
Athletic scholarships	19.8	19.8	-
Foundation athletic expenses	4.9	4.9	-
Student academic advisors	1.5	1.5	-
Apparel/Equipment Contracts	5.0	5.0	-
Recoveries Reclassed to revenue	2.9	2.9	-
ACC Adjustments	4.1	4.1	-
Maintenance & Capital contributions		(3.3)	3.3
Other Accruals		(1.5)	1.5
NCAA Report	$ 139.5	$ 132.8	$ 6.7




VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

INTERCOLLEGIATE ATHLETICS PROGRAMS FOR THE YEAR ENDED JUNE 30, 2024

Auditor of Public Accounts
Staci A. Henshaw, CPA
www.apa.virginia.gov
(804) 225-3350

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Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

January 16, 2025

The Honorable Glenn Youngkin
Governor of Virginia

Joint Legislative Audit
and Review Commission

Board of Visitors
Virginia Polytechnic Institute and State University

Timothy D. Sands
President, Virginia Polytechnic Institute and State University

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on the **Virginia Polytechnic Institute and State University's** (University) Statement of Revenues and Expenses of Intercollegiate Athletics Programs (Statement) for the year ended June 30, 2024. University management is responsible for the Statement and its compliance with National Collegiate Athletic Association (NCAA) requirements.

University management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating whether the Statement is in compliance with NCAA Constitution 20.2.4.17.1, for the year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Agreed-Upon Procedures Related to the Statement of Revenues and Expenses of Intercollegiate Athletics Programs

Procedures described below were limited to certain items. For the purpose of this report, and as defined in the agreed-upon procedures, revenue and expense reporting categories require detailed testing if they are greater than or equal to four percent of total revenues or total expenses, as applicable. Based on this defined threshold, we have not performed detailed testing on the following items:

Revenue Reporting Categories:

- Direct institutional support
- Indirect institutional support
- Guarantees
- In-Kind
- NCAA distributions
- Conference distributions (non-media and non-football bowl)
- Program, novelty, parking, and concession sales
- Sports camp revenues
- Athletics-Restricted endowment and investment income
- Other operating revenue
- Football bowl revenue

Expense Reporting Categories:

- Guarantees
- Severance payments
- Recruiting
- Sports equipment, uniforms, and supplies
- Fundraising, marketing and promotion
- Sport camp expenses
- Spirit groups
- Athletic facility leases and rental fees
- Indirect institutional support
- Medical expenses and insurance
- Memberships and dues
- Student-Athlete meals (non-travel)
- Football bowl expenses
- Football bowl expenses – coaching compensation/bonuses

For purposes of performing these procedures, no exceptions were reported for differences of less than one-tenth of one percent (0.10%) of revenues and expenses, as applicable. We have not investigated any differences and/or reconciling items below the reporting threshold while performing these agreed-upon procedures. We did not perform any procedures over reporting items with zero balances, which have been excluded from the Statement herein. The procedures were performed and associated findings are as follows:

Internal Controls

1. We reviewed the relationship of internal control over intercollegiate athletics programs to internal control reviewed in connection with our audit of the University's financial statements. In addition, we identified and reviewed those controls unique to the

Intercollegiate Athletics Department, which were not reviewed in connection with our audit of the University's financial statements.

2. Intercollegiate Athletics Department management provided a current organizational chart. We also made certain inquiries of management regarding control consciousness, the use of internal audit in the department, competence of personnel, protection of records and equipment, and controls regarding information systems with the Information Technology Department.

3. Intercollegiate Athletics Department management provided us with their process for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the University's intercollegiate athletics programs. We tested these procedures as noted below.

Affiliated and Outside Organizations

4. Intercollegiate Athletics Department management identified all related affiliated and outside organizations and provided us with copies of audited financial statements for each such organization for the reporting period.

5. Intercollegiate Athletics Department management prepared and provided to us a summary of revenues and expenses for or on behalf of the University's intercollegiate athletics programs by affiliated and outside organizations included in the Statement.

6. Intercollegiate Athletics Department management provided to us any additional reports regarding internal control matters identified during the audits of affiliated and outside organizations performed by independent public accountants. We were not made aware of any internal control findings.

Statement of Revenues and Expenses of Intercollegiate Athletics Programs

7. Intercollegiate Athletics Department management provided to us the Statement of Revenues and Expenses of Intercollegiate Athletics Programs for the year ended June 30, 2024, as prepared by the University and shown in this report. We recalculated the addition of the amounts in the Statement, traced the amounts on the Statement to management's trial balance worksheets, and agreed the amounts in management's trial balance worksheets to the Intercollegiate Athletics Department's accounts in the accounting records. Certain adjustments to the Statement were necessary to conform to NCAA reporting guidance. We discussed the nature of adjusting journal entries with management and are satisfied that the adjustments are appropriate.

8. We compared each major revenue and expense account over ten percent of total revenues or total expenses, respectively, to prior period amounts and budget estimates.

Variances exceeding ten percent of prior period amounts or budget estimates are explained below:

Line Item	Explanation
Contributions	The increase of $4.4 million or 16.1% is related to additional funding from the Virginia Tech Foundation primarily attributable to increases in scholarship and overall operating expenses.
Media rights	The decrease of $8.1 million or 19.2% is due to the reclassification of IMG-Learfield revenue from this line item in the prior fiscal year to the Royalties, Licensing, Advertisement, and Sponsorships line item for fiscal year 2024.
Athletic student aid	The increase of $3.8 million or 23.6% is due to increases in tuition, room and board, and cost of attendance and the addition of approximately $2.1 million in academic incentive payments.

<u>Revenues</u>

9. We reviewed two monthly ticket sales reconciliations performed for accuracy and proper review and approval. We performed a recalculation of ticket sales revenue for football and men's basketball by comparing the number of tickets sold, attendance, and sale price from the third-party ticketing system to total revenue recorded in the Statement. We determined the reconciliations reviewed to be accurate and properly approved. Revenue in the Statement was higher by $2.1 million for football and $493,031 for basketball due to student season tickets, handling and processing fees, and other adjusting entries.

10. We obtained documentation of the University's methodology for allocating student fees to intercollegiate athletics programs. We compared student fees reported in the Statement to amounts reported in the accounting records and an expected amount based on fee rates and enrollment. We found a difference of $375,238, which we attribute to the methodology used to estimate student fee revenue compared to actual distributions of student fees to the department.

11. Intercollegiate Athletics Department management provided us with a listing of all contributions of money, goods or services received directly by its intercollegiate athletics programs from any affiliated or outside organization, agency or group of individuals that constitutes ten percent or more of all contributions received during the reporting period. Except for contributions received from the Virginia Tech Foundation (VTF), an affiliated organization, we noted no individual contribution which constituted more than ten percent of total contributions received for intercollegiate athletics programs. We

reviewed contributions from the VTF, which exceeded ten percent of all contributions, and agreed them to supporting documentation.

12. Intercollegiate Athletics Department management provided us with a listing and copies of all agreements related to media rights. We gained an understanding of the relevant terms of the agreements and agreed selected amounts to proper posting in the accounting records and supporting documentation with no reportable differences.

13. Intercollegiate Athletics Department management provided us with a listing and copies of all agreements related to participation in revenues from tournaments, conference distributions, and NCAA distributions. We inspected the terms of the agreements and agreed selected amounts to proper posting in the accounting records and supporting documentation with no reportable differences.

14. Intercollegiate Athletics Department management provided us with a listing and copies of all agreements related to participation in revenues from royalties, licensing, advertisement, and sponsorships. We inspected the terms of the agreements and agreed selected amounts to proper posting in the accounting records and supporting documentation. Subsequent to providing the Statement, the University notified us of a reclassification to increase royalties, licensing, advertisement and sponsorships revenue by $400,000 (and decrease direct institutional support by the same amount) to correct an error. Following adjustment, we found royalties, licensing, advertisement, and sponsorships to be properly stated.

Expenses

15. Intercollegiate Athletics Department management provided us a listing of student aid recipients during the reporting period. Since the University did not use the NCAA Compliance Assistant software to prepare athletic aid detail, we selected 60 individual student athletes across all sports and obtained the students' account detail from the University's student information system. We agreed each student's information to the information reported in the NCAA Membership Financial Reporting System. We identified seven students with variances of $400, 46 students with variances of $800, one student with a variance of $1,589, and three students with variances of $2,099, which are attributable to reporting estimated book fees and computer equipment. We also ensured that the total aid amount for each sport agreed to amounts reported as financial aid in the student accounting system and performed a check of selected students' information as reported in the NCAA Membership Financial Reporting System to ensure proper calculation of revenue distribution equivalencies and noted no reportable differences.

16. Intercollegiate Athletics Department management provided us with a listing of coaches, support staff, and administrative personnel employed and paid by the University during the reporting period. We selected five coaches, including football and men's and women's basketball coaches, and five support and administrative personnel and

compared amounts paid during the fiscal year from the payroll accounting system to their contract or other employment agreement document. We found that recorded expenses equaled amounts paid as salary and bonuses and were in agreement with approved contracts or other documentation with no reportable differences.

17. We obtained the Intercollegiate Athletics Department's written recruiting and team travel policies from Intercollegiate Athletics Department management and documented an understanding of those policies. We compared these policies to existing University and NCAA policies and noted substantial agreement of those policies.

18. We selected a sample of five disbursements each for team travel, game expenses, direct overhead and administration expenses, and other operating expenses. We compared and agreed the selected operating expenses to adequate supporting documentation. We found all reviewed amounts to be properly approved, reasonable to intercollegiate athletics, and properly recorded in the accounting records with no reportable differences.

19. We obtained a listing of debt service payments for athletic facilities for the reporting year. We selected a sample of three debt service payments included in the Statement, as well as the two highest payments, and agreed them to supporting documentation with no reportable differences.

20. We obtained an understanding of the University's methodology for charging indirect cost to the Intercollegiate Athletics Department. We evaluated indirect cost charges for reasonableness and noted proper reporting of these charges in the Statement with no reportable differences.

Other Reporting Items

21. We obtained repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. We recalculated annual maturities reported in the notes to the Statement and agreed total annual maturities and total outstanding athletic-related debt to supporting documentation with no reportable differences.

22. We agreed total outstanding institutional debt to supporting debt schedules and the University's audited financial statements with no reportable differences.

23. We agreed the fair value of athletics-dedicated endowments to supporting documentation provided by the University with no reportable differences.

24. We agreed the fair value of institutional endowments to supporting documentation and the audited financial statements of the University's Foundation with no reportable differences.

25. We obtained a schedule of athletic-related capital expenditures made during the period. We selected a sample of five transactions to validate existence and accuracy of recording and recalculated totals with no reportable differences.

Additional Procedures

26. We compared the sports sponsored by the University, as reported in the NCAA Membership Financial Reporting System, to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from the ARMS software for the University. We noted agreement of the sports reported.

27. We compared total current year grants-in-aid revenue distribution equivalencies to total prior year reported equivalencies per the NCAA Membership Financial Report submission and noted no variations exceeding four percent when compared to prior year.

28. We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting year. We validated that the countable sports identified by the institution met the minimum requirements for number of contests and minimum number of participants as defined in NCAA Bylaw 20.10.6.3. We ensured that countable sports have been properly identified in the NCAA Membership Financial Reporting System for the purpose of revenue distribution calculations.

29. We compared the current number of sports sponsored to the prior year total reported in the University's NCAA Membership Financial Report submission and noted no variations when compared to prior year.

30. We obtained a listing of student-athletes receiving Pell grant awards from the University's student information system and agreed the total value of these Pell grants to the amount reported in the NCAA Membership Financial Reporting System. We noted agreement of the amounts reported.

31. We compared the total number of Pell grant awards in the current year to the number reported in the prior year NCAA Membership Financial Report submission. We noted no variations greater than 20 grants when compared with the prior year.

We were engaged by University management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. We were not engaged to and did not conduct an audit, examination, or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Statement of Revenues and Expenses of Intercollegiate Athletics Programs or any of the accounts or items referred to above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the University and its management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

DLR/clj

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
STATEMENT OF REVENUES AND EXPENSES OF
INTERCOLLEGIATE ATHLETICS PROGRAMS
For the year ended June 30, 2024

	Football	Men's Basketball	Women's Basketball	Men's Other Sports	Women's Other Sports	Non-Program Specific	Total
Operating revenues:							
Ticket sales	$ 15,969,985	$ 2,333,156	$ 849,521	$ 161,024	$ -	$ -	$ 19,313,686
Student fees	-	-	-	-	2,681,153	11,860,903	14,542,056
Direct institutional support	-	-	-	-	-	825,000	825,000
Indirect institutional support	-	-	-	-	-	1,595,714	1,595,714
Guarantees	575,000	30,000	150,000	-	11,000	-	766,000
Contributions	9,072,148	886,236	726,644	791,514	717,488	19,520,044	31,714,074
In-Kind	9,125	9,326	-	25,000	2,949	21,303	67,703
Media rights	28,007,335	5,072,000	176,000	171,500	226,000	159,500	33,812,335
NCAA distributions	290,333	1,886,503	65,892	366,850	503,312	981,710	4,094,600
Conference distributions (non-media and non-football bowl)	271,898	303,731	-	-	-	41,179	616,808
Conference distributions of football bowl generated revenue	8,039,205	-	-	-	-	-	8,039,205
Program, novelty, parking, and concession sales	1,693,469	104,816	109,685	67,734	21,897	38,520	2,036,121
Royalties, licensing, advertisement and sponsorships	10,720,851	1,026,804	514,303	708,303	694,000	623,288	14,287,549
Sports camp revenues	104,993	-	-	-	-	-	104,993
Athletics-Restricted endowment and investments income	-	-	-	-	-	4,726,936	4,726,936
Other operating revenue	988,684	-	-	36,534	36,222	546,814	1,608,254
Football bowl revenues	1,307,757	-	-	-	-	-	1,307,757
Total operating revenues	77,050,783	11,652,572	2,592,045	2,328,459	4,894,021	40,940,911	139,458,791
Operating expenses:							
Athletic student aid	5,246,265	903,021	871,224	4,711,250	6,232,608	1,851,586	19,815,954
Guarantees	575,000	554,509	109,803	43,194	17,992	-	1,300,498
Coaching salaries, benefits, and bonuses paid by the university and related entities	10,930,356	4,006,186	2,533,015	4,339,198	3,687,767	-	25,496,522
Support staff/administrative compensation, benefits, and bonuses paid by the university and related entities	3,404,424	1,100,051	796,052	339,085	321,993	16,007,905	21,969,510
Severance payments	11,597	34,991	14,224	29,258	22,258	86,135	198,463
Recruiting	1,241,690	528,532	155,803	409,220	361,373	569	2,697,187
Team travel	1,781,801	1,010,857	835,083	1,426,870	1,631,389	1,964	6,687,964
Sports equipment, uniforms, and supplies	1,891,057	189,120	314,577	1,076,250	1,036,494	47,810	4,555,308
Game expenses	3,237,931	779,702	563,558	482,726	291,196	925,753	6,280,866
Fundraising, marketing and promotion	361,083	37,008	59,794	43,119	65,519	2,164,326	2,730,849
Sports camp expenses	171,514	-	-	-	-	-	171,514
Spirit groups	3,123	12,992	7,757	-	25,000	429,806	478,678
Athletic facility leases and rental fees	3,965	-	-	126,020	126,020	159,888	415,893
Athletic facility debt service	1,900,344	202,998	202,998	-	-	4,114,086	6,420,426
Direct overhead and administrative expenses	2,915,230	93,452	303,880	475,377	1,041,171	6,206,299	11,035,409
Indirect cost paid to the institution by athletics	-	-	-	-	-	6,837,780	6,837,780
Indirect institutional support	-	-	-	-	-	1,595,714	1,595,714
Medical expenses and insurance	233,984	24,308	31,446	317,222	367,985	786,381	1,761,326
Memberships and dues	14,360	2,995	3,000	22,669	20,729	35,036	98,789
Student-Athlete meals (non-travel)	1,215,780	176,678	108,606	963,117	815,697	135,533	3,415,411
Other operating expenses	3,862,070	290,773	298,721	442,115	286,139	1,639,717	6,819,535
Football bowl expenses	1,724,650	-	-	-	-	-	1,724,650
Football bowl expenses - coaching compensation/bonuses	250,000	-	-	-	-	-	250,000
Total operating expenses	40,976,224	9,948,173	7,209,541	15,246,690	16,351,330	43,026,288	132,758,246
Excess (deficiency) of revenues over (under) expenses	$ 36,074,559	$ 1,704,399	$ (4,617,496)	$ (12,918,231)	$ (11,457,309)	$ (2,085,377)	$ 6,700,545
Other Reporting Items:							
Total athletics-related debt							$ 89,660,000
Total institutional debt							$ 748,105,000
Value of athletics-dedicated endowments							$ 77,368,250
Value of institutional endowments							$ 1,950,219,847
Total athletics-related capital expenditures							$ 13,741,000

The accompanying Notes to the Statement of Revenues and Expenses of Intercollegiate Athletics Programs are an integral part of this Schedule.

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
NOTES TO STATEMENT OF REVENUES AND EXPENSES OF INTERCOLLEGIATE ATHLETICS PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2024

1. BASIS OF PRESENTATION

The accompanying Statement of Revenues and Expenses of Intercollegiate Athletics Programs has been prepared on the accrual basis of accounting. The purpose of the Statement is to present a summary of revenues and expenses of the intercollegiate athletics programs of the University for the year ended June 30, 2024. The Statement includes those intercollegiate athletics revenues and expenses made on behalf of the University's athletics programs by outside organizations not under the accounting control of the University. Because the Statement presents only a selected portion of the activities of the University, it is not intended to and does not present either the financial position, changes in financial position, or cash flows for the year then ended. Revenues and expenses directly identifiable with each category of sport presented are reported accordingly. Revenues and expenses not directly identifiable to a specific sport are reported under the category "Non-Program Specific."

2. AFFILIATED ORGANIZATIONS

The University received $36,441,010 from the Virginia Tech Foundation, Inc. Approximately $15,463,103 of these funds were used for grant-in-aid scholarships for student-athletes. These amounts received are included in the accompanying Schedule as follows: $31,714,074 is included in the Contributions line item and 4,726,936 is included in the Athletics-Restricted Endowment and Investments Income line item.

3. LONG-TERM DEBT, LONG-TERM LEASES, AND SBITAs

Externally-funded debt

The University, on behalf of the intercollegiate athletics program, has obtained debt financing for capital improvement projects as needed. These debts consist of Section 9(d) revenue bonds issued by the University and will be repaid by the program using operating revenues and private fundraising proceeds. Outstanding principal as of June 30, 2024 (in dollars):

Project	Maturity	Principal
Indoor Practice Facility		
Series 2015B, 9(d) revenue bond	2035	$ 510,000
Series 2021, 9(d) revenue bond	2036	40,000
Lane Stadium - West Side Expansion		
Series 2021, 9(d) refunding revenue bond	2041	20,755,000
Lane Stadium - South End Zone		
Series 2021, 9(d) refunding revenue bond	2041	6,710,000
Hahn Hurst Basketball Practice Center		
Series 2021, 9(d) refunding revenue bond	2041	5,775,000
		$33,790,000

Internally-funded debt

The University has internally loaned the intercollegiate athletics program funds for capital improvement projects as needed. These debts will be repaid by the program using operating revenues and private fundraising proceeds. Outstanding principal as of June 30, 2024 (in dollars):

Project	Maturity	Principal
Student Athletic Performance Center	2029	$ 2,313,000
ACC Media Studio	2031	7,436,000
Creativity and Innovation District	2041	18,416,000
Baseball Stadium and Rector Field House	2045	25,538,000
		$53,703,000

Long-term lease payable

The University, on behalf of the intercollegiate athletics program, has entered into a long-term lease with the Town of Christiansburg for the use of the town's aquatic center with payments ending in 2029. The lease will be paid by the program using operating revenues and private fundraising proceeds. As of June 30, 2024, the outstanding principal on this lease was $1,137,000.

Subscription-based Information Technology Agreements (SBITAs)

The University, on behalf of the intercollegiate athletics program, has entered into multiple SBITAs to support the program's operations with various end dates. The SBITAs will be paid by the program using operating revenues and private fundraising proceeds. As of June 30, 2024, the outstanding principal for SBITAs was $1,030,000.

A summary of future principal and interest commitments for fiscal years subsequent to June 30, 2024, is presented as follows (in dollars):

	Principal	Interest	Total
2025	$ 5,761,000	$ 1,580,000	$ 7,341,000
2026	5,569,000	1,500,000	7,069,000
2027	5,581,000	1,418,000	6,999,000
2028	5,373,000	1,332,000	6,705,000
2029	5,144,000	1,246,000	6,390,000
2030-2034	21,170,000	4,950,000	26,120,000
2035-2039	21,002,000	3,030,000	24,032,000
2040-2044	19,102,000	1,024,000	20,126,000
2045	958,000	17,000	975,000
	$89,660,000	$16,097,000	$105,757,000

4. UNIVERSITY ADMINISTRATION FEE

As with all auxiliary enterprises, the University charges the Athletic Department an administrative fee. During the fiscal year, the Athletic Department paid $6,837,780 to the University. This amount is included in the Indirect Cost Paid to the Institution by Athletics line item in the Non-Program Specific category.

5. CAPITAL ASSETS

Capital assets consisting of buildings, infrastructure, and equipment are stated at appraised historical cost or actual cost where determinable. Construction in progress (CIP) is capitalized at actual cost as expenses are incurred. All gifts of capital assets are recorded at acquisition value as of the donation date.

Intangible right-to-use assets consisting of the right-to-use buildings are stated at the net present value of future minimum lease payments at the commencement of the lease term. Intangible right-to-use assets are recognized when the net present value of future minimum lease payments is $50,000 or greater.

Subscription-based information technology arrangements (SBITAs) are stated at the net present value of future minimum subscription payments at the commencement of the subscription term. SBITAs are recognized when the net present value of future minimum subscription payments is $50,000 or greater.

Equipment is capitalized when the estimated useful life is one year or more, and unit acquisition cost is $2,000 or greater or acquisition costs are significant when aggregated. Software is capitalized when the acquisition and/or the development costs exceed $100,000. Renovation costs are capitalized when expenses total more than $100,000, the asset value significantly increases, or the useful life is significantly extended. Routine repairs and maintenance are charged to operating expense in the year the expense is incurred.

Depreciation is computed using the straight-line method over the useful life of the assets. The useful life is 40 to 60 years for buildings, ten to 50 years for infrastructure and land improvements, and three to 30 years for fixed and movable equipment. Right-to-use lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The beginning balance has been restated for the implementation of GASB Implementation Guide 2021-1, Question 5.1 for pooled assets and for error corrections related to SBITAs. A summary of changes in capital assets follows for the year ending June 30, 2024 (all dollars in thousands):

	Beginning Balance (Restated)	Additions	Retirements	Ending Balance
Depreciable capital assets				
Buildings	$237,634	$3,129	$ -	$240,763
Moveable equipment	16,538	784	317	17,005
Software	313	-	-	313
Fixed equipment	14,917	355	-	15,272
Infrastructure	23,080	989	-	23,069
Right to use leases – buildings	1,976	-	-	1,976
SBITAs	1,840	193	58	1,975
Total depreciable capital assets, at cost	296,298	5,450	375	301,373
Less accumulated depreciation				
Buildings	78,489	5,379	-	83,868
Moveable equipment	9,929	1,399	317	11,011
Software	313	-	-	313
Fixed equipment	7,512	677	-	8,189
Infrastructure	19,324	672	-	19,996
Right to use leases – buildings	418	140	-	558
SBITAs	552	449	58	943
Total accumulated depreciation	116,537	8,716	375	124,878
Total depreciable capital assets, net of accumulated depreciation and amortization	179,761	(3,266)	-	176,495
Non-depreciable capital assets				
Construction in progress	4,408	10,592	2,301	12,699
Total non-depreciable capital assets	4,408	10,592	2,301	12,699
Total capital assets, net of accumulated depreciation and amortization	$184,169	$7,326	$2,301	$189,194

Open Joint Session Agenda

FINANCE AND RESOURCE MANAGEMENT COMMITTEE
AND BUILDINGS AND GROUNDS COMMITTEE

9:30 a.m.
Latham Ballroom A/B, The Inn at Virginia Tech

March 25, 2025

		Agenda Item	Reporting Responsibility
*#+	1.	Approval of the General Fund Capital Outlay Plan for 2026-2032	Simon Allen Dwyn Taylor Rob Mann
*	2.	Approval of Resolution to Construct the New Business Building	Simon Allen Dwyn Taylor Rob Mann
	3.	On-Campus Housing Update	Cyril Clarke Amy Sebring
*	4.	Approval of Resolution on the Student Life Village and Slusher Hall	Dave Calhoun Tish Long
	5.	Motion for Joint Closed Session	Nancy Dye
	6.	Motion to Reconvene in Joint Open Session	Anna James

* **Requires full Board approval**
\# **Discusses Enterprise Risk Management topic(s)**
\+ **Discusses Strategic Investment Priorities topic(s)**

Briefing Report

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

March 25, 2025

Joint Open Session

*#+ **1. Approval of the General Fund Capital Outlay Plan for 2026-2032:** The Committees will review for approval the 2026-2032 Capital Outlay Plan. The university prepares an updated Six-Year Capital Outlay Plan every two years as part of its normal planning and budgeting cycle. The Plan is a critical component of positioning the university for state support of major Educational and General projects and for advancing high priority projects that may be funded entirely with nongeneral fund resources. Traditionally, the state requires each institution to submit a capital plan in June of the year before a new biennium begins. The next state capital outlay plan will be for 2026-2032, and it will be established in the 2025-26 budget development process. Based on that timetable, a plan from the university for 2026-2032 will be due to the state in June of 2025.

Preliminary work has been done to identify potential projects for inclusion in the 2026-2032 Capital Outlay Plan in anticipation of future guidance and instructions from the state. These projects are consistent with programmatic needs established for the planning period and with the strategic plan of the university, and they position the university with options to respond to guidance from the state.

Since the submission date for the new Plan may occur before the June 2025 Board of Visitors meeting, the university is requesting the review and approval of the list of potential projects for inclusion in the 2026-2032 Capital Outlay Plan for General Fund projects. The university will provide an update to the status of the 2026-2032 Plan, including the nongeneral fund portion of the Plan, at a future Board of Visitors meeting.

* **2. Approval of Resolution to Construct the New Business Building:** The Committees will review for approval a resolution to construct the New Business Building. This 92,300 gross square foot building will provide expanded, modern educational space sufficient to meet the demand for the Pamplin College of Business programs. The $94 million total project cost will be funded with private gifts, nongeneral fund resources earmarked for the project, and debt that will be serviced by nongeneral fund revenues generated by the College.

3. **On-Campus Housing Update:** The Committees will receive an update from the Executive Vice President and Provost and the Executive Vice President and Chief Operating Officer on the university's on-campus housing.

* 4. **Approval of Resolution on the Student Life Village and Slusher Hall:** The Committees will review for approval a resolution on the Student Life Village and Slusher Hall.

5. **Motion for Joint Closed Session**

6. **Motion to Reconvene in Joint Open Session**

General Fund Capital Outlay Plan for 2026-2032

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 20, 2025

Background:

The university prepares an updated Six-Year Capital Outlay Plan (Plan) every two years as part of its normal financial planning processes. The Plan is a critical component of positioning the university for state support of Educational and General capital projects and for advancing high priority projects that may be funded partially with nongeneral fund resources.

The state requires each institution's Board of Visitors to approve the Plan prior to submitting requests through the state capital budget process. Virginia Tech's delegated authority as a Tier III institution under the Higher Education Restructuring Act further requires the university, with Board of Visitor approval, to develop and maintain a capital plan that defines its capital needs.

The university sets a six-year planning period, identifying two lists of projects: i) a list of General Fund projects for submission in the state budget process and ii) a list of projects the university anticipates funding entirely through nongeneral funds. The plan for projects funded entirely with nongeneral fund resources is still under development and will be presented to the Board of Visitors at a later date.

The Plan is updated biennially to coincide with the state's capital budget process. Typically, the state releases instructions for capital budget submissions in the summer of odd-numbered years. Based on that timetable, the university should be prepared to submit a plan to the state in June of 2025. At this time, the state has not yet provided instructions or specific guidance for the development of those requests.

The prioritized rankings of General Fund projects for both the University Division and the Cooperative Extension/Agricultural Experiment Station (CE/AES) are shown in Attachment A and a brief description of each project is shown in Appendix 1.

Approval of the Plan by the Board of Visitors does not approve funding or action for any of the projects listed in the Plan. The Board of Visitors must approve separately requests to initiate design and construction for a project listed on the Plan. To the extent the university determines that issuing debt is necessary to support the cash flow requirements of a capital project, the Board of Visitors must also approve the debt issuance.

Process to Identify and Select Projects for the Plan:

In preparation for the 2026-2032 Plan update, the university engaged with its deans and vice presidents to identify a comprehensive list of space and facility needs for the planning period and to select the highest priority items for funding.

The process identified 148 needs, which included nine duplicate requests, and are shown in Appendix 2 by senior management area with their priority ranking. The 139 unique needs were then filtered and grouped into the six subsets listed below. A description of the filtering process for the subsets is shown in Appendix 3.

Subsets:
1. Projects that do not meet the capital project threshold (i.e., expenditures of at least $3 million and/or at least 5,000 square feet) that may be addressed as operating projects (20 items);
2. Projects logistically beyond the six-year planning period that will be held until their precursors are underway (13 items);
3. Projects that must be referred for further planning to better define the program and/or funding plan (61 items);
4. Agency 208 projects that are "actionable," meaning they can be executed in the six-year time horizon and have funding plans sufficient to meet the anticipated needs of the project, (38 items); and
5. Agency 229 projects that are actionable (5 items).
6. VT Foundation projects that are actionable (2 items).

The lists of 45 actionable projects for Agency 208, Agency 229 and VT Foundation are then grouped by those that meet state qualifications for General Fund support and those that must be funded entirely with nongeneral funds or for which the university has developed an entirely nongeneral fund plan.

Strategic Priorities for the Planning Period:

The university established four strategic priorities to guide the needs identification for the planning period. The priorities include:

- Global Distinction
- Facility Asset Management and Renewal,
- Student Experience and Success, and
- Alignment with state capital funding priorities.

Planning Constraints:

Estimated financial resources for any planning period are finite and constrain the size of a plan and the likely pace of progress to implement projects on the plan. The five key financial constraints for the planning period are described below:

1. General Fund for Agency 208:

    The level of the state capital funding program ebbs and flows over time, with large bond programs over the past five years that advanced multiple projects at Virginia Tech. The availability of state funding depends on the priorities of the Governor and General Assembly, the Commonwealth's financial position, and the backlog of capital projects previously funded. Based on internal analyses of the state's historical investments in capital outlay, Virginia Tech could expect to position for approximately $350 million of capital appropriations during the six-year planning period.

2. General Fund for Agency 229:

    The state funding program for agency 229 is expected to generally follow the same pattern as agency 208 but at a smaller scale with an optimistic positioning for approximately $75 million during the planning period.

3. Nongeneral Fund Cash for Projects:

    Educational and General operating dollars, including General Fund appropriations and tuition, are not used to support capital outlays.

    Nongeneral fund revenues for capital outlays include auxiliary enterprise rates for residential and dining, auxiliary enterprise sales and services, comprehensive fees, overhead generated from indirect cost recoveries from grants and contracts, and private gifts.

    In general, the scale of these revenue sources is efficient relative to the costs they are designated to support; thus, the university does not generally accumulate large cash reserves that may be used to support capital projects.

    The cash that does accumulate is normally the result of cash flows that are positioned to service debt. To the extent these stores are available, the university uses them as a source in a capital project budget to reduce the amount of debt that would otherwise be required.

    The exception is private gifts designated for capital outlays. The university strives for private gift payments to be structured over a five-year payment schedule which is a very close alignment to the cash outflows of a capital project; thus, any amount of debt required to carry pledge payments should be minimal.

4. Nongeneral Fund Revenues for Debt Service:

    The nongeneral fund sources described in item 3 above may also be used to support debt service.

    The use of the university's debt capacity for a project is first determined by the strength of revenues to support debt service obligations. The university's budget and planning processes include extensive due diligence and business planning work to ensure a high

level of confidence that future revenues with be available and sufficient to service and retire any planned debt issuances, including long term leases.

Conversely, without the assurance that a revenue source will be available and sufficient for the entire repayment term of an issuance, debt is not allocated to a project.

5. Debt Financing:

Projects with nongeneral fund support, including portions of some gift campaigns, may use external debt to finance a portion of the project. Each potential debt financing undergoes an internal financial feasibility assessment to ensure resources are sufficient to cover the full debt service term without unnecessary financial risk to the unit's operations.

The positioning of debt is further analyzed to ensure the university does not exceed the parameters of the university debt policy or debt management practices, which sets a maximum limit of a six percent ratio of total annual debt service to total operating expenses. This evaluation is projected six-years out and includes anticipated issuances for projects in the Plan.

The Board of Visitors reviews and approves an annual report of debt capacity and debt ratio and authorizes individual debt packages prior to an issuance. These practices provide an important set of controls to ensure the institution's debt obligations do not become a point of inflexibility in reaching the operational goals of the institution, to ensure the university is holding sufficient debt capacity for its highest priorities, and to ensure compliance with restructuring requirements for credit ratings and debt ratios.

A projection of the timing and amount of expected debt issuances is shown in Appendix 4. The appendix shows the planned debt issuances would remain within the six percent debt ratio guideline established by the Board of Visitors and would provide approximately $319 million of unallocated capacity for unforeseen and/or unexpected opportunities that may arise during the planning period. Beyond the planning period, debt capacity returns with an estimated $492 million of unallocated capacity by FY32, which also climbs to $840 million of unallocated capacity by FY35.

General Fund Project List, Attachment A:

The highest priority projects requesting General Fund resources are listed under each division of Virginia Tech in their priority order, which reflects the strategic priorities of the university and state priorities as understood at this time. Notably, five of the ten projects under the university division are facilities that support programs in science, technology, engineering and biomedical sciences with the remaining projects targeted to ensuring appropriate facility renewal. The total dollar value of the list exceeds projected resources likely to be allocated to Virginia Tech during the planning period. By including a variety of high priority needs in the listing, the university ensures it has the flexibility to adapt to various state capital funding programs that may emerge over the upcoming 12 months.

The state requires that an institution's Board of Visitors review and approve projects prior to submission in the state budget process. Because the submission date to the state may occur before the June 2025 Board of Visitors meeting, the university is seeking the review and approval of the Plan at the March 2025 meeting of the Board of Visitors.

When guidance and instructions are received from the state, the university will prepare and submit its capital budget items based upon the projects included in Attachment A. If future instructions and/or guidance from the state necessitate a change in the rankings or arrangement of projects in the General Fund listing, a final list with adjustments as submitted to the state will be brought to the Board of Visitors for review and ratification at a subsequent meeting.

Nongeneral Fund Project List, Attachment B

The plan for projects funded entirely with nongeneral fund resources is still in development and will be presented to the Board of Visitors at a later date.

Project Costs:

The university uses two parametric-based cost estimating methods for each project which are then compared and reconciled to inform the cost amounts used in the Plan.

The first method is the Commonwealth's July 2024 Department of General Services (DGS) Construction Cost Database plus a 1.3 regional market premium factor with a 1.13 escalation rate to reach a July 2028 midpoint of construction. [Note: escalation rates for this planning period are aligned with historical norms of approximately 1.12 to 1.14.]

The second method is based on historical data reflecting actual project costs for similar projects escalated to a date that matches the "as of date" of the DGS cost database and then escalated to the same July 2028 midpoint of construction.

These cost estimates provide a reasonable order of magnitude for planning purposes. Actual project budgets and costs may stray from the amounts used in the plan when escalation runs at a pace significantly different from the rates used in these estimates and/or the approved project scope is modified when design is authorized to proceed.

Summary:

The university's updated General Fund Plan for the 2026-2032 period, as shown in Attachment A, provides a compliment of projects to advance the goals of i) garnering Global Distinction, ii) addressing facility asset management and renewal to ensure the continuity of ongoing programs and services, iii) strengthening the student experience and success, and iv) alignment with state capital funding priorities.

The Plan positions the university to compete for future state capital funding programs and is based on sound financial planning.

Because the university maintains an active capital program with a portfolio that is continually loading new projects and discharging completed projects, the university updates its Six-Year Capital Plan every two years.

RECOMMENDATION:

That the General Fund Capital Outlay Plan for 2026-2032, which seeks state funding support, be approved and for the university to submit the items in Attachment A in the state's capital budget process in accordance with future instructions and guidance from the state.

March 25, 2025

ATTACHMENT A - General Fund

Six-Year Capital Outlay Plan for 2026-2032

as of February 18, 2025

			Dollars in Thousands Escalated to July 2028			
			General Fund	Nongeneral Fund	Debt	Total
University Division						
Academic Construction and Renovation						
1	Virginia Tech Carilion School of Medicine and Fralin Biomedical Research Institute Expansion	(1)	$ 138,300	$ -	$ 26,200	$ 164,500
2	Chemistry/Physics Facilities Renovation and Expansion (Hahn)		101,000	-	35,000	136,000
3	Renovate and Renew Academic Buildings Phase II (RRAB II)					
	Robeson Hall		30,525	6,475	-	37,000
	Price Hall		34,200	3,800	-	38,000
	Architecture Annex		8,000	-	-	8,000
	RRAB II Subtotal		72,725	10,275	-	83,000
4	Derring Hall Renovation		115,625	-	9,375	125,000
5	Newman Library Renovation		82,000	-	-	82,000
6	Burruss Hall Renovation		140,000	-	-	140,000
7	Classroom Renovations		25,000	-	-	25,000
Infrastructure and Safety						
1	Derring Hall Envelope Repair	(1)	23,000	-	-	23,000
2	Utilities Infrastructure Renewal Phase I		48,000		12,000	60,000
3	Life, Health, Safety, Code Compliance Package		8,000	-	-	8,000
	Total University Division Projects		$ 753,650	$ 10,275	$ 82,575	$ 846,500
Cooperative Extension / Agriculture Experiment Station Division (CE/AES)						
1	Agricultural Research and Extension Centers Improvements	(2)	$ 64,000	$ -	$ -	$ 64,000
2	Relocate Plant-Based Facilities from Glade Road		14,000	-	-	14,000
3	Plant and Zoonotic Disease Research Facility (HABB-II)		83,000	-	-	83,000
4	Renew Animal and Livestock Facilities		31,000	-	-	31,000
5	Brooks Center: Sustainable Packaging Laboratory Addition		13,000	-	-	13,000
	Total CE/AES Division Projects		$ 205,000	$ -	$ -	$ 205,000
Total General Fund Capital Plan for 2026-2032			**$ 958,650**	**$ 10,275**	**$ 82,575**	**$ 1,051,500**

Notes:

(1) Project has State Planning Authorization

(2) AREC Improvements include the Eastern Shore AREC (with current State Planning Authorization), Southern Piedmont AREC and Tidewater AREC

APPENDIX 1

Project Descriptions for the 2026-2032 Capital Outlay Plan

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 19, 2025

General Fund Projects – Listed in Attachment A:

University Division: Academic Construction and Renovation

1. Virginia Tech-Carilion School of Medicine and Fralin Biomedical Research Institute Expansion

This project envisions 125,000 gross square feet (GSF) of new construction including parking, to double the enrollment of the School of Medicine, and a backfill renovation of 51,000 GSF of the vacated space to expand the Fralin Biomedical Research Institute.

2. Chemistry/Physics Facilities Renovation and Expansion (Hahn Hall South)

Hahn Hall was constructed in 1988 with an addition in 2002, and no major renovations since construction was completed. The proposed project includes renovating the entire 71,100 GSF existing building for modern research laboratory and classroom space for the chemistry program and expanding with an addition to provide needed space for instructional classrooms, laboratory space, and support space for the physics program.

3. Renovate and Renew Academic Buildings Phase II (RRAB II)

The Renovate and Renew Academic Buildings Phase II project is a package of three academic buildings with renovation needs, which includes:

- Robeson Hall: Originally constructed in 1960, the proposed project includes a 66,200 GSF renovation for academic classroom, laboratory and support spaces for the College of Science,
- Price Hall: Originally built in 1907, the project would entail a 56,000 GSF academic renovation for the College of Agriculture and Life Sciences, and
- Architecture Annex: Originally built in 1916, the project envisions a 15,800 GSF classroom and office renovation for the College of Architecture, Art, and Design.

4. Derring Hall Renovation

Derring Hall was constructed in 1969 with only one major improvement via renovation since the original construction was completed. This request is to renovate and modernize

approximately 168,000 GSF of high demand instructional space for the physical sciences programs.

5. Newman Library Renovation

Newman Library was constructed in 1955 with an addition in 1980, with no major renovations since construction was completed. This project envisions constructing a new high-density library storage facility off-campus to hold volumes that need to be retained followed by a renovation of Newman Library to address outdated and undersized restroom and plumbing facilities, electrical systems, HVAC systems, and egress points to meet student demand for modern academic collaboration and interactive learning formats. The proposed project totals 242,000 GSF and includes the storage needs.

6. Burruss Hall Renovation

The proposed project includes renovating 158,000 GSF of academic and administration space. Burruss Hall was built in 1936 with additions in 1968 and 1970, and a renovation in 2007 to convert a portion of the north elevation to academic use. This project replaces and updates the major building systems within the historic building.

7. Classroom Renovations

This project will renovate 65,000 GSF of outdated and underutilized general assignment classroom space to modernize instructional spaces to meet the existing space demand for interactive learning and uphold the quality of education.

University Division: Infrastructure and Safety

1. Derring Hall Envelope Repair

Derring Hall was built in 1969, is 208,000 GSF, has a Facility Condition Index score of 55 percent, and is the university's largest undergraduate science laboratory instruction building. This project will address the significant spalling, delamination, and cracking of the exterior concrete walls, columns, parapets, and window sealants.

2. Utilities Infrastructure Renewal Phase I

The Utilities Infrastructure Renewal Phase I project has two main components. The first component includes a chiller water utility renewal, increasing capacity for existing facilities, and connecting the chilled water plants to the central chilled water loop. The second component is thermal distribution utility renewal, replacing a large portion of the centralized thermal heating distribution system network, a fifty-year old system serving 70 percent of the main Virginia Tech campus.

3. Life, Health, Safety, Code Compliance Package

The university's health, safety, and accessibility initiative for the campus is an ongoing effort, and the university includes a request for this program in each capital plan. This

project continues progress on needed campus improvements including accessibility improvements and life safety repairs that are beyond the scope of the Maintenance Reserve program.

Cooperative Extension / Agricultural Experiment Station Division

1. Agricultural Research and Extension Centers Improvements

This project will address the top priority infrastructure and renovation needs for three Agricultural Research and Extension Center sites: Eastern Shore (39,000 GSF), Tidewater (39,800 GSF), and Southern Piedmont (26,600 GSF). This project will make improvements for the research and extension programmatic needs at these locations via a combination of renovation and expansion.

2. Relocate Plant-Based Facilities from Glade Road

This project relocates plant and agricultural-based assets from the Glade Road area to more suitable permanent location near existing College of Agriculture and Life Sciences facilities on campus. The project includes the construction of multiple new buildings of approximately 34,000 GSF and the demolition of outdated assets.

3. Plant and Zoonotic Disease Research Facility (HABB-II)

This project is to provide a 94,000 GSF modern research laboratory space that will focus on infectious disease research and will include the laboratories, laboratory support spaces, faculty offices, and graduate student research space.

4. Renew Animal and Livestock Facilities

This project includes replacing approximately 100,000 GSF of outdated facilities primarily serving beef cattle, equine, sheep, and poultry. The replacement facilities consolidate functions and operational efficiencies.

5. Brooks Center: Sustainable Packaging Laboratory Addition

This project includes construction of a 17,000 GSF addition laboratory to the Brooks Forest Products Center, including fiber-based packaging materials and distribution packaging laboratories, offices and a loading dock. The laboratory will be equipped with cutting-edge technology to test and validate the performance of innovative sustainable packaging materials, accelerating their adoption to tackle pressing industry challenges.

APPENDIX 2

Project Needs

Proposals from Deans and Vice Presidents

2026-2032 Six-Year Capital Outlay Plan Update

December 9, 2024

The project proposals are listed by Academic, Support areas and Staff Initiated categories, containing the priority order of the specific Senior Management Area.

Academic

AP Arts

1	Music and Arts Building
2	Renovations: Armory, Media Annex, and Architecture Annex facilities
3	Special Collections and Cultural Center
4	College of Architecture, Arts and Design Building
5	Marching Virginian's Expansion

Architecture, Art and Design

1	New Music and Performing Arts Building
2	College of Architecture, Arts, and Design Building
3	Renovate Architecture Annex
4	Marching Virginians Facility Expansion
5	Renovate Armory
6	Road and Pedestrian Network out to Plantation Road
1-NC	Plantation Road Research and Scholarship Buildings
2-NC	Renovate Squires Performance Spaces

College of Agriculture and Life Sciences

1	Hutcheson and Smyth Hall Renovations
2	Saunders and Seitz Hall Renovation
3	Litton-Reaves Vivarium Refurbishment
229 - 1	System-wide AREC Improvements
229 - 2	Plant and Zoonotic Disease Research Facility - HABB II
229 - 3	Glade Road Research Center Replacement
229 - 4	Renew Animal Production and Livestock Facilities II
229 - 5	System-wide AREC Improvements

College of Engineering

1	Replace Randolph / Mitchell
2	Electrical and Computer Engineering Expansion Building

3	Transdisciplinary Biomedical Research Building
4	Patton Hall Renovation
5	Large Projects Building
6	Expand student-team project space for Engineering
7	Water Laboratory Facility
8	Relocate Turbo Lab and APPL
9	Blacksburg Component to Hitt Research Building in Falls Church
10	Norris Hall Renovation
11	Shared Support Research Facilities (i.e., Renovate Robeson Hall)

College of Liberal Arts and Human Sciences

1	Life Span and Family Services Research Center
2	School of Education Facility
3	Renovate Lane Hall (ADA Compliance)
4	Renovate Wallace Hall
5	Consolidate off-campus leases for TTAC and School of Education

College of Natural Resources and Environment

1	Cheatham Hall Renovation and Expansion
2	Paver Patio outside of Cheatham Hall
229 - 1	Brooks Center Renovation and Expansion

College of Science

1	Hahn Hall South Renovation and Expansion
2	Robeson Hall Renovation
3	Derring Hall Renovation
4	Instruction Swing Space for Robeson, Hahn, Derring renovations

College of Veterinary Medicine

1	Veterinary Teaching Hospital Expansion
2	Additional instructional space for Public Health Program
3	Space to grow One Health Research Program

Graduate School

1	Blacksburg: Graduate & professional student and family housing
	NCR: Graduate & professional student and family housing
	Roanoke: Graduate & professional student and family housing
2	Affordable childcare space on or adjacent to campus
	NCR: Large Auditorium / Multipurpose Spaces

Health Sciences and Technology

1	VTC-School of Medicine and Fralin Biomedical Research Institute Expansion
2	Purchase of CNH CNRIC Phase one building
3	Upfit/Complete Phase II of Children's National Partnership
4	FBRI Cancer Research Facility
5	Expand the HS&T Campus: New program - Climate Health Sciences
6	Expand the HS&T Campus: New program - Pharmaceutical Sciences

Honors College

1 New Honors College Building / Expansion

Innovation Campus

1 Upfit ICAB I Floors 6 and 7
2 Innovation Campus: Innovation Building Lease
3 Regional central administrative services hub
4 VTRC-A Reconfiguration to advance NSI thematic alignment
5 Innovation Campus Academic Building II
6 Innovation Campus Academic Building III

Libraries

1 Library Storage Facility Expansion
2 Newman Library Renovation

Pamplin College of Business

1 New Business Building
2 Expand Scope and Grow within the Innovation Campus

Provost

1 General Assignment Classroom Renovations
2 Support of SLV, Vivarium, Nanofabrication, SOPA
3 Space for Transdisciplinary Engagement
4 Pamplin Hall Backfill Renovation

School of Medicine

1 VTC-School of Medicine and Fralin Biomedical Research Institute Expansion

Support

Advancement

1 Advocate for University Priorities

Athletics

1 Beamer Lawson Indoor Practice Facility Heating
2 Lane Stadium and Cassell Coliseum Scoreboards
3 Cassell Coliseum Renovation and Enhancements
4 Driving Range and other golf practice holes
5 Tennis Center Improvements
6 Softball Park Improvements
7 Soccer/Lacrosse Improvements

Auxiliary and Business Services

1 Parking Garage
2 Mail Services Facility

3 Inn at VT Renovations
4 VTSI Integration (Bookstore Renovation)
5 Support of ADA/Accessibility Projects

Diversity, Inclusion and Strategic Affairs

1 Cultural Community Focus Centers

Equity and Inclusion

1 Infinite Loop + Green Links
2 Auditorium Accessibility Renovation Package
3 Campus Infrastructure Accessibility Projects*
Auxiliary Accessibility Projects*
E&G Accessibility Projects*

Facilities

1 Fire and Life Safety Systems
2 Accessibility Improvements (with CAWG)
3 Burruss Hall Renovation (Phase I)
4 Burruss Hall Renovation (Phase II)
5 Sterrett Center Feasibility Study
6 North Chiller Plant Renewal
7 Thermal Infrastructure Distribution Renewal (Phase I)
8 Chilled Water Plant Renewal (Phase III)
9 Electric Bulk Feeder Renewal (West Campus Load)
10 New Thermal Utility Plant
11 Critical Utilities Renewal and Existing Plant Upgrades
12 Heritage Protection and Preservation feasibility study package
13 Solitude Preservation and Renewal

Finance

1 IT ERP Project

Foundation

1 U-Mall / Glade Rd Redevelopment
2 CRC Expansion

Information Technology

1 SLV Living Learning District Core Extension for IT
2 Owens Cabling Center Relocation for IT
3 Statewide Networking at each campus for IT
4 Blacksburg Campus Infrastructure Expansion for IT

Outreach and International Affairs

1 Replacement Space for International Affairs Offices
2 Relocate VP-OIA Office back to campus
3 Consolidated Global Facility

Public Safety

1 Rescue Squad Building
2 Security Cameras
3 Campus Buildings - Perimeter Access Control
4 Materials Management Facility Expansion
5 Police Training Facility
6 Landfill Closure Compliance
7 Message Board (VT Alerts) Replacement
8 Support of ADA/Accessibility Projects

Research and Innovation

1 Expand Vivarium Spaces
2 Comprehensive Nanofabrication Facility
3 Expansion of National Security Facilities
4 Wet Lab Expansion Building
5 ICTAS MAAP Drone Facility

Student Affairs

1 Food Processing Center and Warehouse
2 Student Life Village Phase 1
3 Student Life Village - Phase 2
4 Renovate Pritchard Hall
5 Student Life Village - Phase 3
6 Renovate Hoge Hall
7 Drillfield Residence Hall Renovations (Campbell and Eggleston)

Staff Initiated

Staff

Campus Mobility
Collapsing the temporary recreation facility, e.g., 'Big White Tent'
Lane Hall Renovation
Price Hall Renovation
Property Acquisitions
Renovate G. Burke Johnston Student Center
Renovate Media Building
Transdisciplinary Research Warehouse
Derring Hall Envelope
Renovate and Renew Academic Buildings Phase II
Campus Services: Mail, Surplus, and Storage
Renovate Henderson Hall

* Note: Multiple Accessibility Projects identified under these broader categories

APPENDIX 3

Capital Needs Filtering Process
2026-2032 Capital Outlay Plan Update
February 19, 2025

A critical task of the Six-Year Plan update cycle is categorizing the collected capital needs and organizing them based on predetermined qualifiers. The 139 unique capital needs are classified into one of five subcategories based on the definitions below.

1. **Non-capital items:** This category is for facility and space needs with a scope less than $3 million and/or 5,000 gross square feet. The solution may be implemented through normal operating processes with university departments such as Procurement, Facility Operations, or Real Estate Management. This category contains 20 projects.

2. **Projects Logistically Beyond Six Years:** This category is for capital needs that require prerequisite projects to be completed before advancing or for needs that are too far down the senior management area's priority list to be considered actionable during the Six-Year capital planning period. This category contains 13 projects.

3. **Projects Referred for Further Internal Planning:** This category is composed of capital needs that have not satisfied the nine qualifiers established to determine if a project can be considered actionable as a capital outlay activity. This category holds 61 projects. The qualifiers for this category include the following:

    i. Program space chart completed in assignable square feet and gross square feet;
    ii. Space solution identified: renovation, demolition and replacement, or new space;
    iii. Location and site identified;
    iv. Acquisition method identified: lease, purchase, PPEA, CM@Risk, Design-Build, Hard Bid;
    v. Parametric cost estimate calculated for rough order of magnitude;
    vi. Operating pro forma completed for auxiliary enterprise and research projects;
    vii. Funding plan for the entire project costs;
    viii. If external debt is part of the funding plan, sources committed for the entire debt service period; and
    ix. Private fund component approved by central Office of Advancement.

4. **Agency 208 Projects Actionable Within Six Years:** This category is for Agency 208 capital needs that have satisfied the preceding qualifiers to be considered actionable during the planning period. This category contains 38 projects.

5. **Agency 229 Projects Actionable Within Six Years:** This category is for Agency 229 capital needs that have satisfied the preceding qualifiers to be considered actionable during the planning period. This category contains 5 projects.

6. **Virginia Tech Foundation Actionable Within Six Years**: This category is for VT Foundation needs that are considered actionable during the planning period. This category contains 2 projects.

APPENDIX 4

Illustration of Debt Allocations Within a Six Percent Ratio
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
As of October 22, 2024
(Dollars in Thousands)

	Planning Projections						Trailing Period					
	2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**2031-32**	**2032-33**	**2033-34**	**2034-35**	**Total**
Authorized Projects												
Debt Issuances												
Building Envelope Repairs		$15,250	$15,250									$30,500
BOV Approved Leases												
Children's National Lease Expansion, Phase II (Lease)						$11,300						11,300
Children's National Lease Expansion, Phase II (Upfits)						8,700						8,700
	-	15,250	15,250	-	-	20,000	-	-	-	-	-	50,500
Placeholder Allocations for Six-Year Capital Outlay Plan												
Debt Issuances												
Pamplin College of Business		$52,700										52,700
SLV Phase I - Utilities and Infrastructure		50,000										50,000
Rescue Squad			$11,500									11,500
SLV Phase I - Recreation			10,000									10,000
SLV Phase I - Dining			40,000									40,000
SLV Phase I - Residential			115,000	$115,000								230,000
Veterinary Teaching Hospital Expansion				20,000								20,000
Parking Structure at Blacksburg Campus				26,300								26,300
VTC-School of Medicine & FBRI Expansion				30,000								30,000
Hahn Hall South Renovation and Expansion					$40,900							40,900
G. Burke Johnston Renovation						$5,000						5,000
BOV Approved Leases												
Food Processing Center and Warehouse		15,000										15,000
Expand Vivarium Spaces		45,000										45,000
Replace Kmart Lease					11,000							11,000
	-	162,700	176,500	191,300	51,900	5,000	-	-	-	-	-	587,400
Total Authorized and Placeholder Issuances	$ -	$177,950	$191,750	$191,300	$51,900	$ 25,000	$ -	$ -	$ -	$ -	$ -	$637,900
Net Debt Capacity (20-Year Present Value)	$417,490	$366,528	$335,667	$293,324	$256,570	$319,404	$385,388	$491,947	$643,798	$745,914	$839,727	

Approval of the General Fund Capital Outlay Plan for 2026-2032

ROB MANN
Assistant Vice President for Capital Budgeting and Financing

MARCH 25, 2025

VIRGINIA TECH

Capital Outlay Program & Project Authorization Steps

1
- Master Plans
- B&G
- Full Board

2
- Capital Outlay Plans
- B&G/FRM
- Full Board

3
- Project Planning Resolutions
- B&G/FRM
- Full Board

4
- Annual Debt Reports
- FRM

5
- Design Previews
- B&G

6
- Full Project Resolutions
- B&G/FRM
- Full Board

7
- Design Reviews
- B&G

8
- Bond Issuance Resolutions
- FRM
- Full Board

Capital Outlay Budget Process Timeline

Six-Year Capital Outlay Plan Development
(August – February)

Board Review & Approval
(March)

Capital Budget Submission to State
(June)

State Review and Approval of Capital Budgets
(September – March)

Effective Date of State Projects
(July 1)

Detailed project work

Board Ratification of Plan

Start: Summer of even-numbered Years (2024)

Submitted to State: Summer 2025

End: Summer 2026

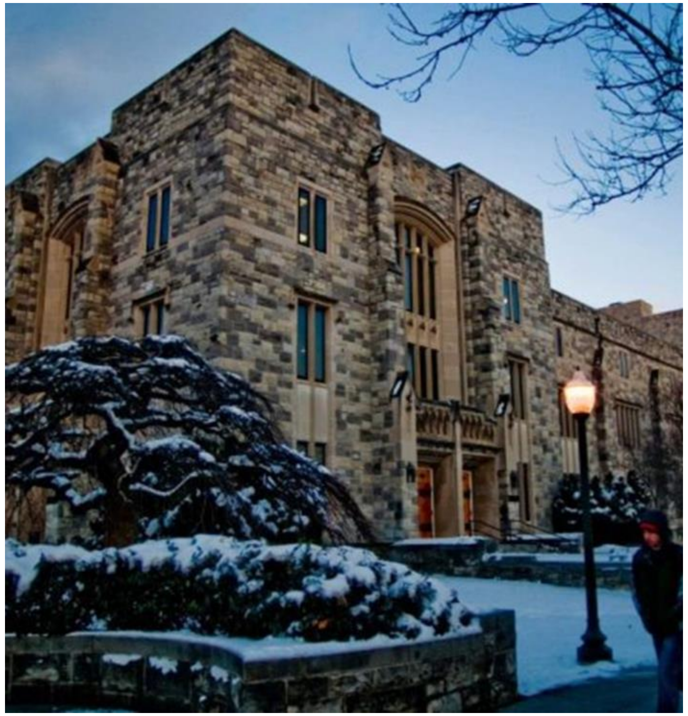
Strategic Criteria for Selecting and Prioritizing Projects

University Strategic Goals

- Global Distinction
- Facility Asset Management and Renewal
- Student Experience and Success
- Alignment with state funding priorities

Other Selection Criteria

- Dean/Vice President's priority ranking
- Consistency with the Campus Master Plan
- Available sources of Nongeneral fund revenues sufficient to service debt
- Debt capacity



Major Categories for 2026-2032

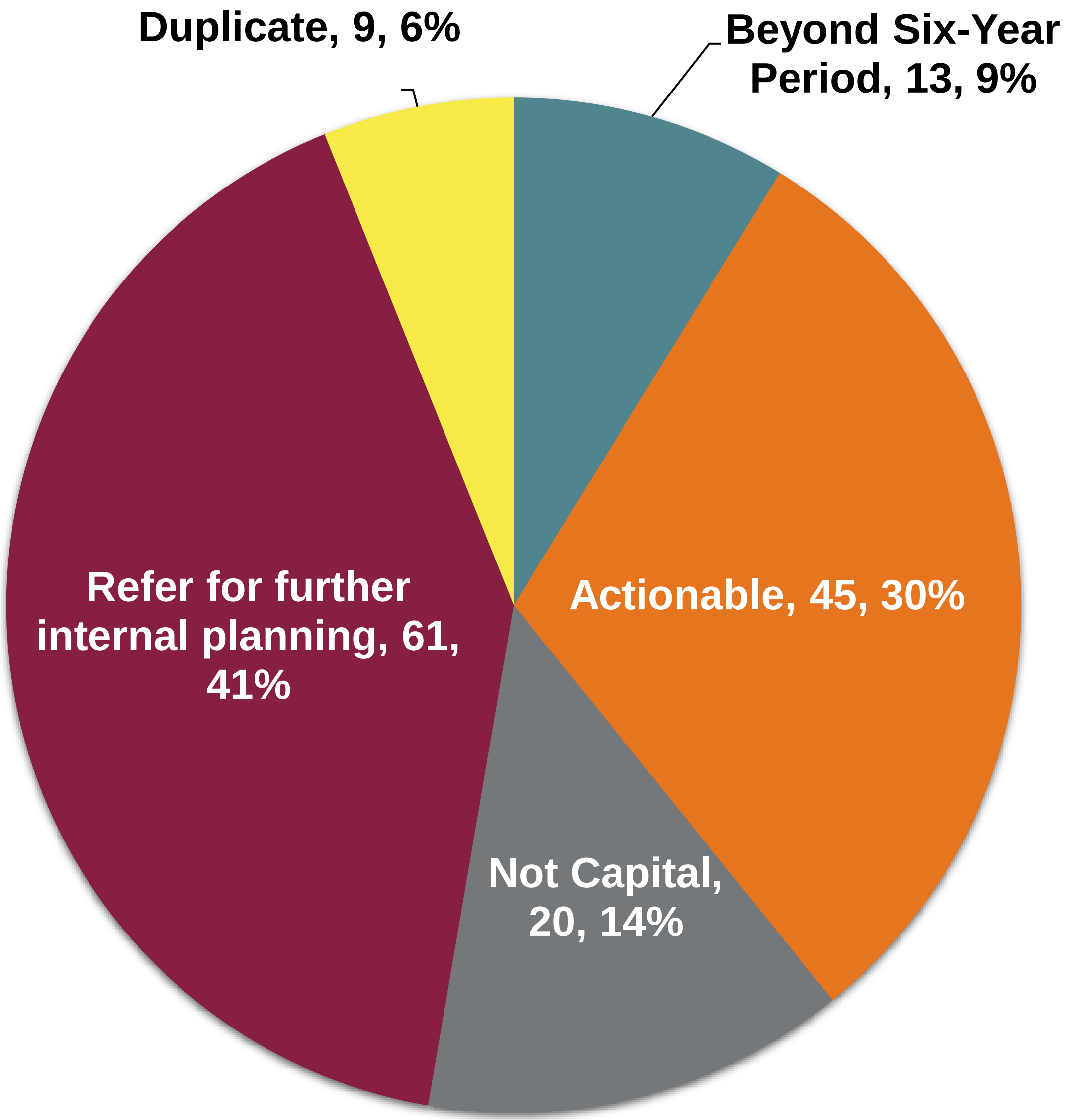
148 Identified Needs

<u>Actionable</u>

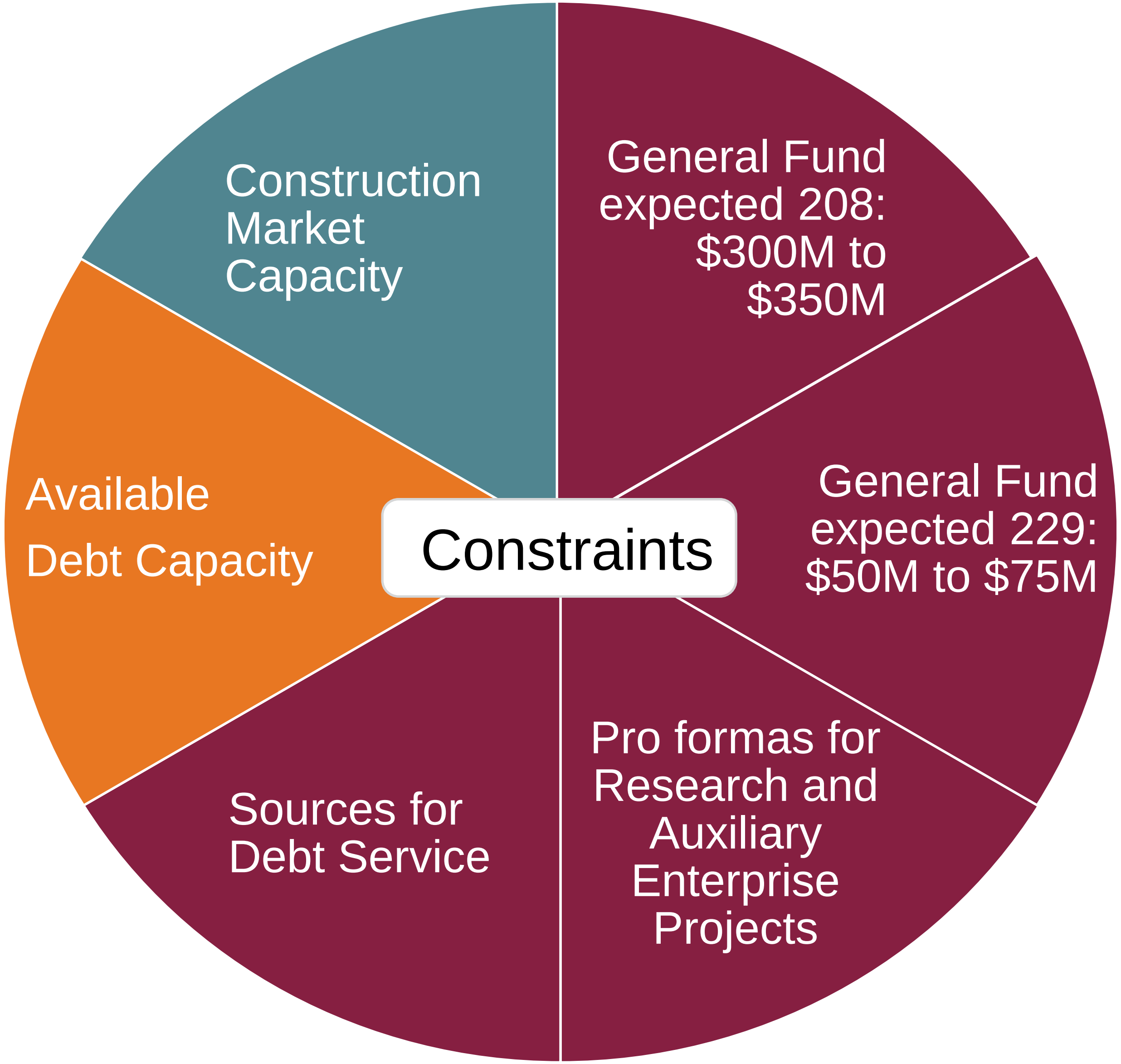
- Agency 208 - 38
  - 17 GF
  - 21 NGF
- Agency 229 - 5
- Foundation - 2

<u>Duplicate</u>

- 9 projects



Planning Constraints for 2026-2032



General Fund List for 2026-2032

As of February 18, 2025

			General Fund	Nongeneral Fund	Debt	Total
			Dollars in Thousands Escalated to July 2028			
University Division						
Academic Construction and Renovation						
1	Virginia Tech Carilion School of Medicine and Fralin Biomedical Research Institute Expansion	(1)	$ 138,300	$ -	$ 26,200	$ 164,500
2	Chemistry/Physics Facilities Renovation and Expansion (Hahn)		101,000	-	35,000	136,000
3	Renovate and Renew Academic Buildings Phase II (RRAB II)					
	Robeson Hall		30,525	6,475	-	37,000
	Price Hall		34,200	3,800	-	38,000
	Architecture Annex		8,000	-	-	8,000
	RRAB II Subtotal		72,725	10,275	-	83,000
4	Derring Hall Renovation		115,625	-	9,375	125,000
5	Newman Library Renovation		82,000	-	-	82,000
6	Burruss Hall Renovation		140,000	-	-	140,000
7	Classroom Renovations		25,000	-	-	25,000
Infrastructure and Safety						
1	Derring Hall Envelope Repair	(1)	23,000	-	-	23,000
2	Utilities Infrastructure Renewal Phase I		48,000		12,000	60,000
3	Life, Health, Safety, Code Compliance Package		8,000	-	-	8,000
	Total University Division Projects		$ 753,650	$ 10,275	$ 82,575	$ 846,500
Cooperative Extension / Agriculture Experiment Station Division (CE/AES)						
1	Agricultural Research and Extension Centers Improvements	(2)	$ 64,000	$ -	$ -	$ 64,000
2	Relocate Plant-Based Facilities from Glade Road		14,000	-	-	14,000
3	Plant and Zoonotic Disease Research Facility (HABB-II)		83,000	-	-	83,000
4	Renew Animal and Livestock Facilities		31,000	-	-	31,000
5	Brooks Center: Sustainable Packaging Laboratory Addition		13,000	-	-	13,000
	Total CE/AES Division Projects		$ 205,000	$ -	$ -	$ 205,000
Total General Fund Capital Plan for 2026-2032			**$ 958,650**	**$ 10,275**	**$ 82,575**	**$ 1,051,500**

Notes
(1) Project has State Planning Authorization
(2) AREC Improvements include the Eastern Shore AREC (with current State Planning Authorization), Southern Piedmont AREC and Tidewater AREC.

Approval of the 2026-2032 Capital Plan

Recommendation:

That the General Fund portion of the Capital Outlay Plan for 2026-2032, which seeks state funding support, be approved and for the university to submit the items in Attachment A in the state's capital budget process in accordance with future instructions and guidance from the state.

March 25, 2025

Capital Project for the New Business Building

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

February 20, 2025

The Board of Visitors approved an $8 million planning authorization in April 2022 to design a new building for the Pamplin College of Business (College) as part of the academic component of the Global Business and Analytics Complex (GBAC). This new building project has been on both the Campus Master Plan and the Six-Year Capital Outlay plan. The project completed preliminary designs in Fall 2024 and is in the working drawings design phase.

The New Business Building is envisioned as a four-story structure that will connect with the Data and Decision Sciences Building through a common area and provide expanded, modern, educational space sufficient to meet demand for the business programs. The site for the academic building is the northwest corner of campus near Prices Fork Road and West Campus Drive.

The project design for the approximately 92,300 gross square foot building is 80 percent complete, with construction expected to begin in August 2025. The university has obtained estimated construction costs based on the design documents from the Construction Manager at Risk and third-party cost estimators. Based on this information, the university estimates a total project cost of $94 million inclusive of all hard and soft costs including design, construction, equipment and administration.

The funding plan for the $94 million project budget calls for $47 million of nongeneral fund resources earmarked for the project including private gifts, and $47 million of debt that will be serviced by nongeneral fund revenues generated by the College. The actual debt amount may be adjusted downward for any revenues accumulated prior to the issuance of permanent debt.

With an established scope, schedule, delivery method, and funding plan for the cost estimate, the university is ready to move forward to complete the New Business Building project. Under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has the authority to approve the budget, size, scope, and funding of nongeneral fund capital outlay projects. This request is for a $86 million supplement to the existing $8 million authorization for an adjusted $94 million total authorization to complete the construction of the New Business Building project.

RESOLUTION FOR A CAPITAL PROJECT FOR THE NEW BUSINESS BUILDING

WHEREAS, the Board of Visitors approved an $8 million planning authorization for the New Business Building project in April 2022 and the project has completed preliminary design in Fall 2024 and is in the working drawings phase; and,

WHEREAS, the facility will house the Pamplin College of Business programs to provide expanded, modern, educational space sufficient to meet demand for the business programs; and,

WHEREAS, the design is for a four-story building acting as a companion structure and connected to the Data and Decision Sciences building located in the northwest corner of campus near Prices Fork Road and West Campus Drive; and,

WHEREAS, the design for an approximately 92,300 gross square foot is 80 percent complete with estimates that show an expected total project cost of $94 million; and,

WHEREAS, the project is on pace to execute a single construction contract by August 2025; and,

WHEREAS, the total project budget inclusive of design, construction, equipment, and administration is $94 million, and the university has developed an entirely nongeneral fund financing plan sufficient to support the project budget; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the university has the authority to issue bonds, notes or other obligations that do not constitute State tax supported debt; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the university, the Board of Visitors has authority to approve the budget, size, scope, and funding of nongeneral funded major capital outlay projects.

NOW, THEREFORE, BE IT RESOLVED, that the university be authorized to complete the New Business Building project for the Pamplin College of Business and to secure temporary short-term financing through any borrowing mechanism that, prior to such borrowing, has been approved by the Board, as applicable, in an aggregate principal amount not to exceed the $94 million authorized for the total project budget, plus related issuance costs and financing expenses.

RECOMMENDATION:

That the resolution authorizing Virginia Tech to complete the New Business Building be approved.

March 25, 2025

Resolution for a Capital Project for the New Business Building

ROB MANN
Assistant Vice President for Capital Budgeting and Financing

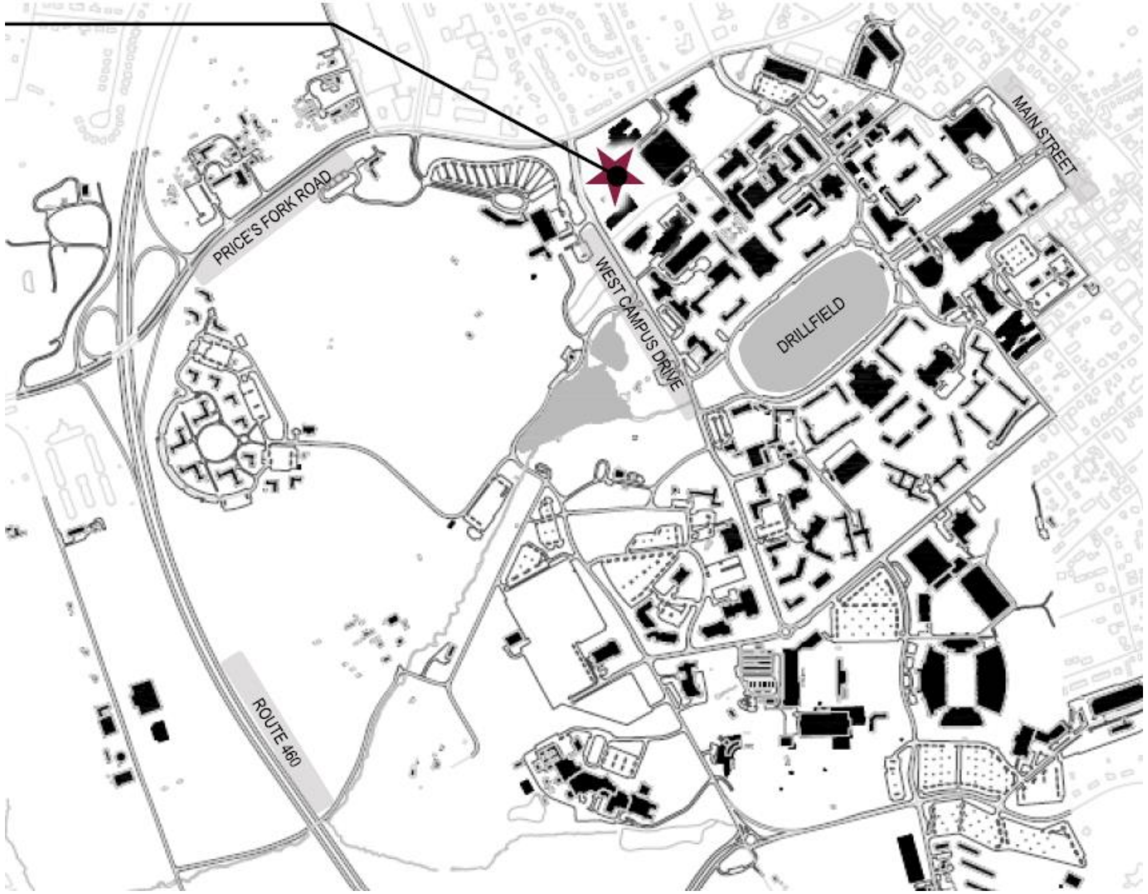
MARCH 25, 2025

VIRGINIA TECH

New Business Building

- $8 million planning authorization approved in April 2022
- Designs are 80 percent complete for the approximately 92,300 gsf building that will be connected to the Data and Decision Sciences Building
- Located at the northwest corner of campus near Prices Fork Road and West Campus Drive

Project Location



New Business Building

- Total project budget: $94 million
  - Requesting $86 million to supplement the $8 million planning authorization
- Funding Plan (100% NGF) includes
  - $47 million of earmarked nongeneral fund cash reserves and private gifts
    - Including $40.4 million of private gifts
  - $47 million of debt to be serviced by other nongeneral fund sources that are sufficient to cover the entire estimated project cost

New Business Building Rendering

❖ *The debt amount may need to shift depending on the timing of private gift receipts and project out flows.*

Resolution for a Capital Project for the New Business Building

NOW, THEREFORE, BE IT RESOLVED, that the university be authorized to complete the New Business Building project for the Pamplin College of Business and to secure temporary short-term financing through any borrowing mechanism that, prior to such borrowing, has been approved by the Board, as applicable, in an aggregate principal amount not to exceed the $94 million authorized for the total project budget, plus related issuance costs and financing expenses.

Recommendation:

That the resolution authorizing Virginia Tech to complete the New Business Building project be approved.

March 25, 2025

ON-CAMPUS HOUSING UPDATE

BOARD OF VISITORS JOINT COMMITTEE

FINANCE & RESOURCE MANAGEMENT | BUILDINGS & GROUNDS

MARCH 25, 2025

CYRIL CLARKE

EXECUTIVE VICE PRESIDENT AND PROVOST

AMY SEBRING

EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER

Outline - Goals for the Day

- Importance of on-campus housing experience
- Review of current inventory
- Financial implications of options
- Key assumptions that influence future actions
- Discussion

On-campus housing: Critical for enrollment management and student outcomes

Modest, Managed Enrollment Growth

- Land grant mission
- Financial resourcing

FTIC Residential Requirement

- Student support
- Hokie identity

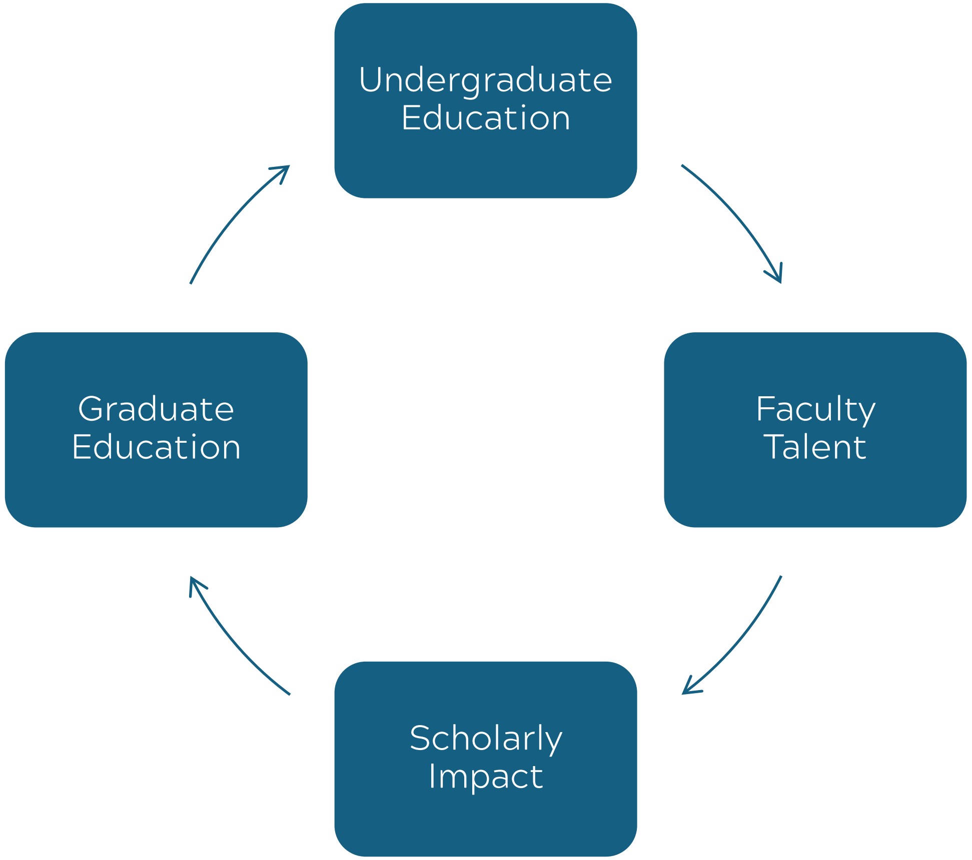
Enhancing Student Success

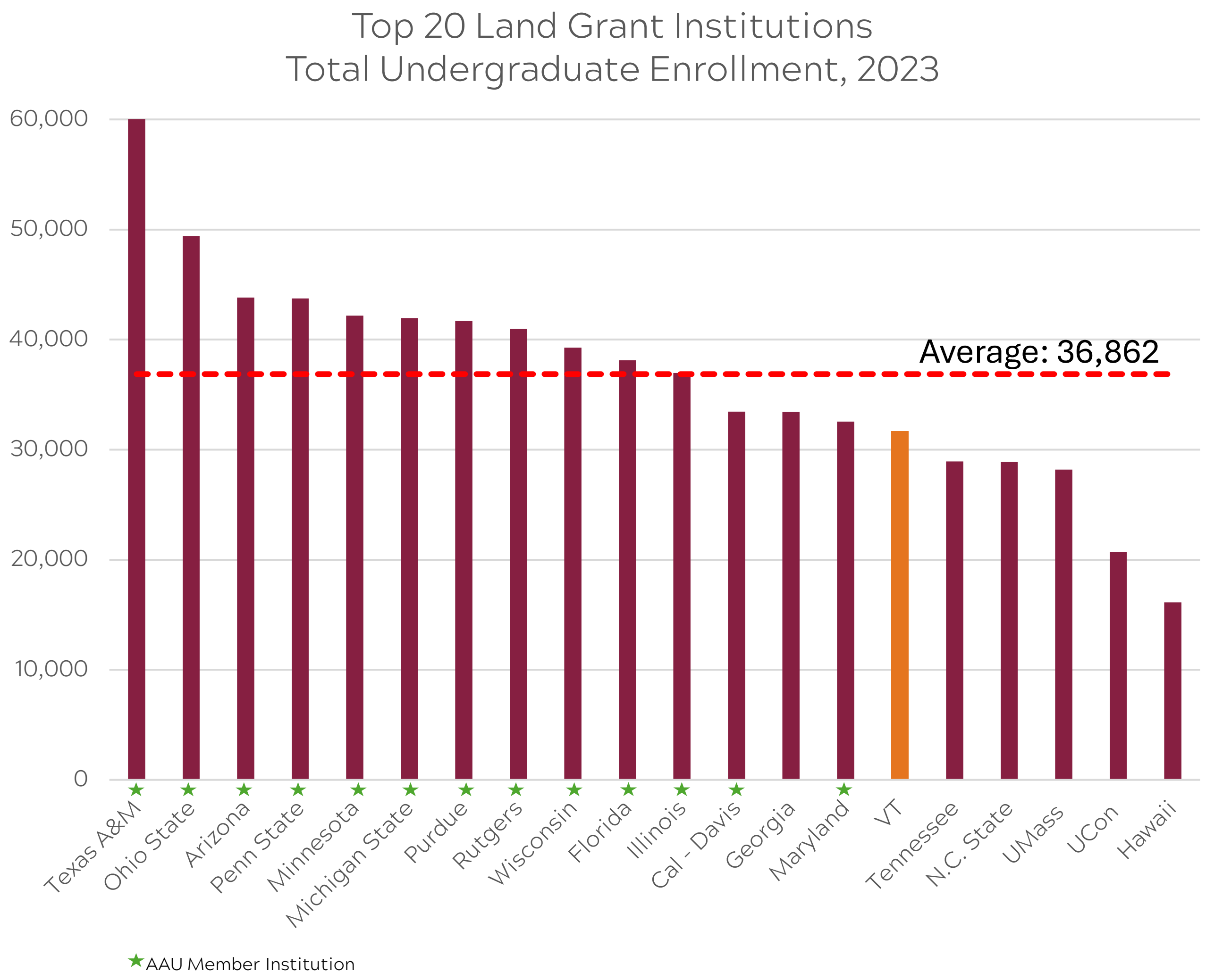
- Student wellbeing
- Learning

Modest, Managed Enrollment Growth

VIRGINIA TECH

Global Distinction is enabled by undergraduate enrollment



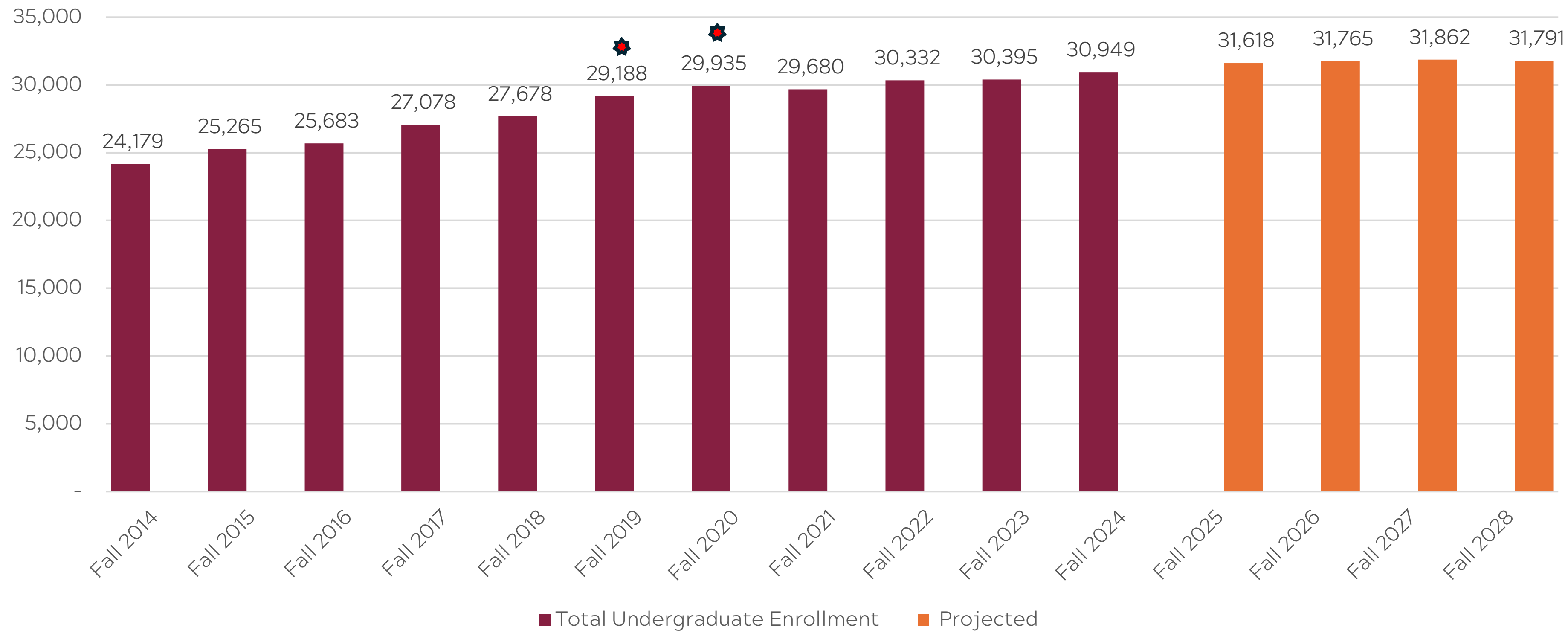


Modest, Managed Enrollment Growth

Undergraduate enrollment projection & plan

Projection - Current Status:
- Maintain 7,085 First Time in College (FTIC) in Fall, 50 more in Spring
- Maintain 1,025 Transfers entering in Fall, 300 more in Spring
- Consistent associate/non-degree enrollment
- Improved - then stable - retention

Plan:
- Sensitivity analyses to estimate internal and external capacities
- Partnership for Progress



Growth in support of state TTIP commitment.

FTIC Residential Requirement

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Current housing occupancy allocation

Category	Count
Current On-Campus Beds	10,513
Corps of Cadets (1,400 goal)	(1,262)
First Year (non-Corps)	(6,581)
Oak Lane Fraternity & Sorority	(634)
Student Staff & Alternates	(284)
Agricultural Tech Associates	(60)
Single Room Accommodations	(120)
Graduate Students	(45)
Transfer Student LLC – New Students	(192)
Living Learning Program Returners	(1,289)
General Assignment Returning Students	(46)
Remainder	0

Not included:

- Modest enrollment expansion
- Achieving VTCC goal
- Capacity necessary for taking beds off-line for facilities improvement

FTIC Residential Requirement

Enhancing Student Success

Benefits to on-campus living are well-documented

- Increased support and social success
  - Smoother college transition
  - More positive peer interactions
  - Higher university engagement - “Hokie” identity
- Increased academic success
  - Higher GPAs and retention rates
  - More faculty-student interaction outside classroom
- Increased well-being
  - Reduced loneliness
  - Higher sense of belonging, resilience
- Creating communities enhances on-campus benefits
  - Interdisciplinary learning
  - Structured mentoring with upper division peers
  - Residential wellbeing model and LLPs

Managing housing assets is critical to university's financial strength

Data Driven

Current and projected enrollment, existing age and condition profiles, renovation needs, market demand

Intentional Planning

Long-term needs, ability to meet strategic goals, academic priorities, steward fixed asset inventory

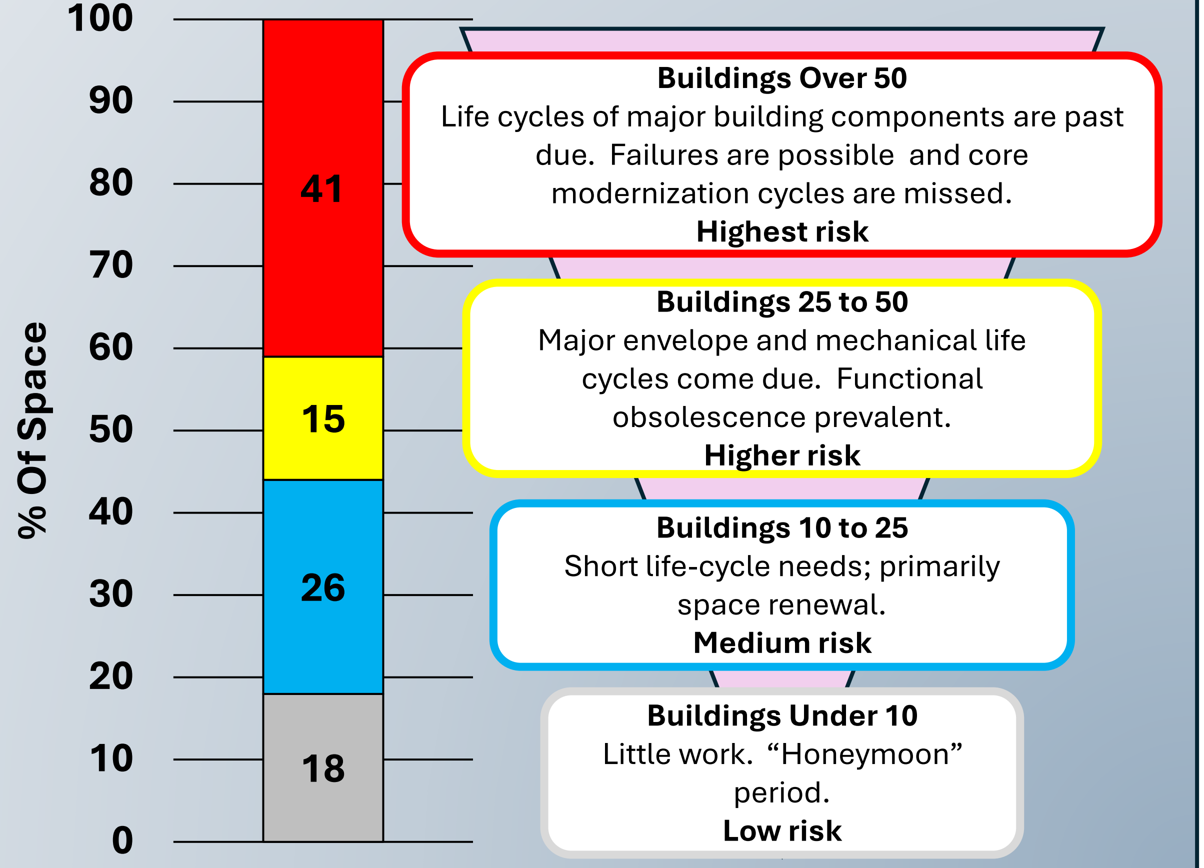
Financial Impacts

Cost of doing nothing, strategic partnerships, opportunity to bolster financial position

Data Driven

Age and condition of housing assets outpacing reinvestment

Current Age Profile



Current Condition Profile

- The Facility Condition Index (FCI) is an industry standard to measure the cost of deferred maintenance/repairs as a ratio of the facility value.

$$FCI = \frac{\$\ \text{Deferred Maintenance}}{\$\ \text{Asset Replacement Value}}$$

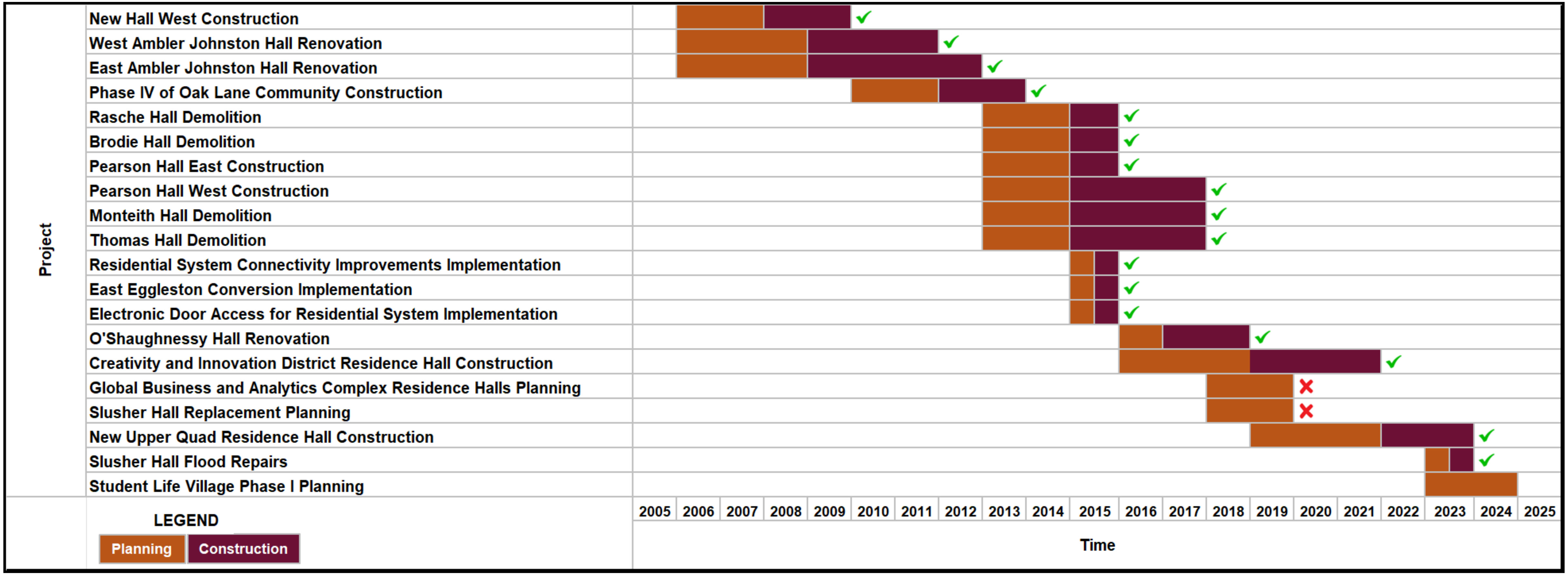
FCI Rating Scale

0.00 – 0.05 Excellent	0.05 – 0.15 Good	> 0.15 Poor

- **77%** of residence halls have an FCI rating of "**Poor**"
- **62%** of bed spaces have an FCI rating of "**Poor**"
- **49%** of the bed spaces **lack A/C**, compared to fully conditioned spaces at similar institutions or off-campus
- **39%** of bed spaces **do not fully meet 2010 ADA standards**

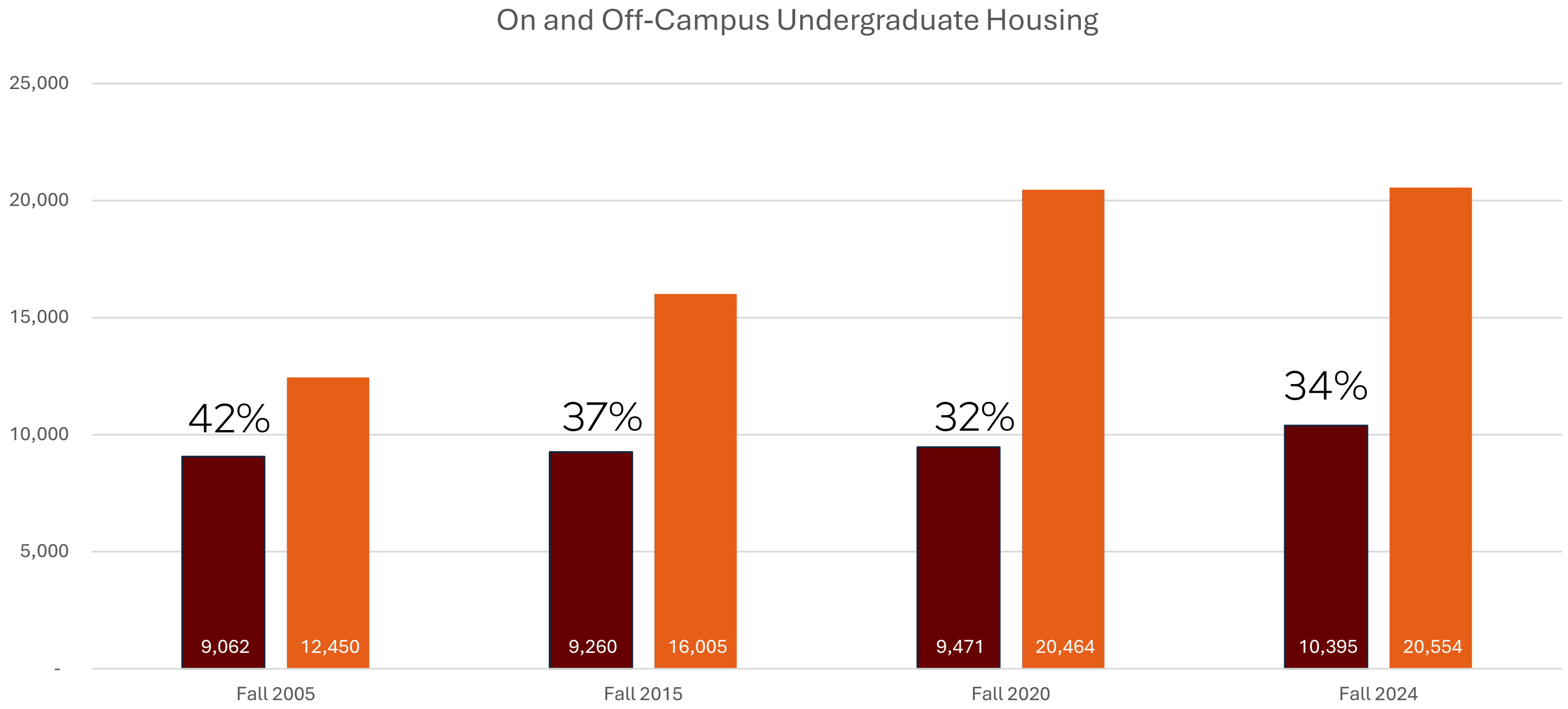
Intentional Planning

Program execution (20-year history)



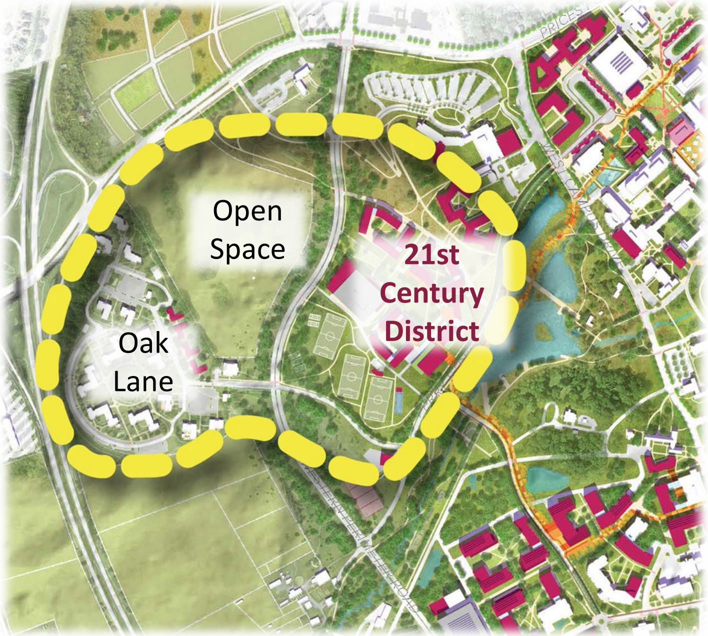
Enrollment

Share of undergraduates living on-campus has fallen

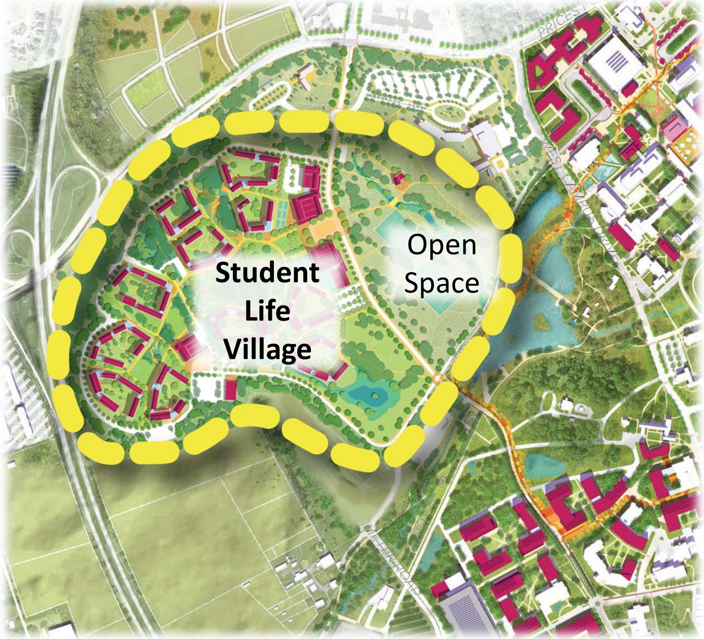


Intentional Planning

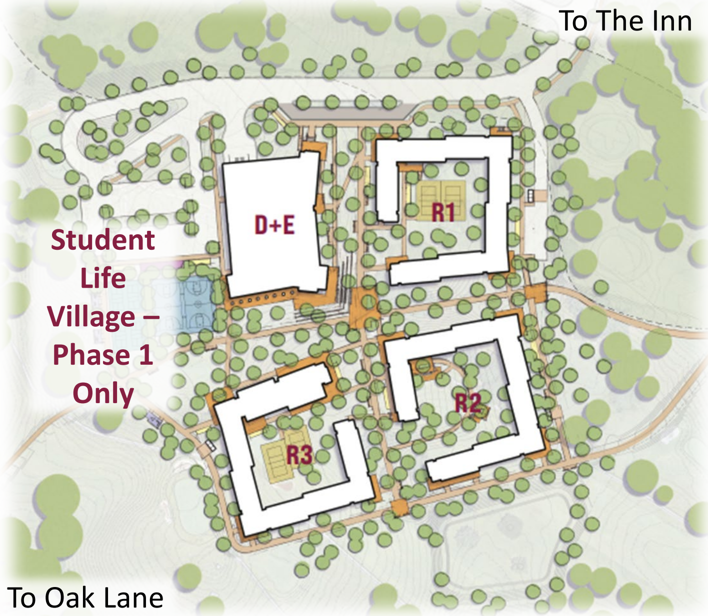
From 21st Century District to Student Life Village



2018 Master Plan	Beds
Current Capacity	10,513
Add 21st Century District LLC	+2,800
Additional Greek Life Capacity	+120
Replace Slusher Hall	+/- 0
Adjusted Potential Capacity	**13,433**



Student Life Village (3 PHASES)	Beds
Current Capacity	10,513
Add Student Life Village	Up to 5,000
Less Oak Lane Community	(616)
Less Slusher Hall	(630)
Less stock renovations	(500)
Adjusted Potential Capacity	**13,767**



Student Life Village (PHASE 1 ONLY)	Beds
Current Capacity	10,513
Add Student Life Village, Phase 1	1,750
Less Slusher Hall	(630)
Less stock renovations	(500)
Adjusted Potential Capacity	**11,133**

Net new beds = ~600 through Phase 1

Financial Impacts

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Short-term, renovations reduce income stream

- Several 300+ bed facilities need attention over the next 5-10 years
  - Campbell (329), Hoge (801), Pritchard (1,013), Slusher (630), Vawter (323)
- 3rd-party assessment (Gordian) recommended $9.4M annual target for envelope/systems
  - FY25 budget allocated $8.02M for envelope/systems, with $6.96M in maintenance reserve
  - VT's housing reinvestment backlog grew by 52% over a 5-year period (compared to 33% at peers)
  - The last major renovation was 2018 (O'Shaughnessy Hall)
- Absent swing space, housing & dining lose revenue when buildings are taken off-line.
  - 300 beds generate:
    - $2.0M in housing revenue annually -- equivalent of a 4.3% room rate increase
    - $1.7M in dining revenue -- equivalent of a 2.9% meal plan increase
- Revenue reductions, absent room rate increases, exacerbates the decline in facility conditions

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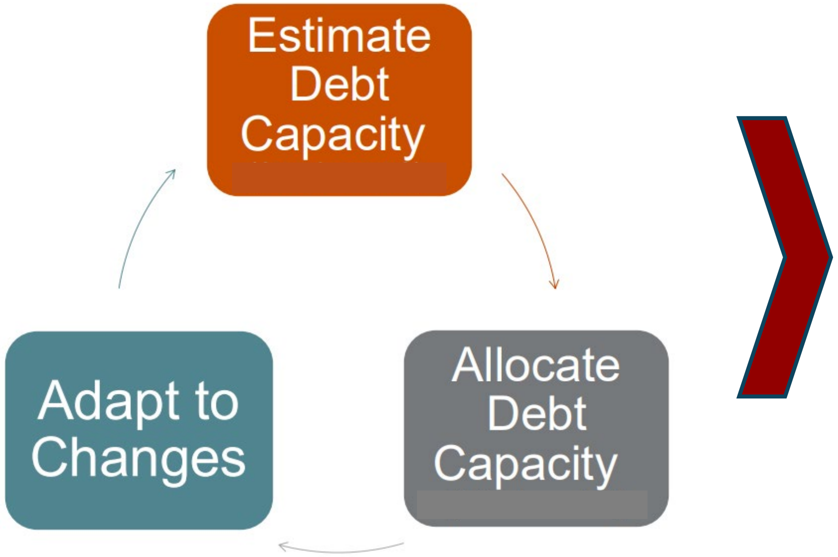
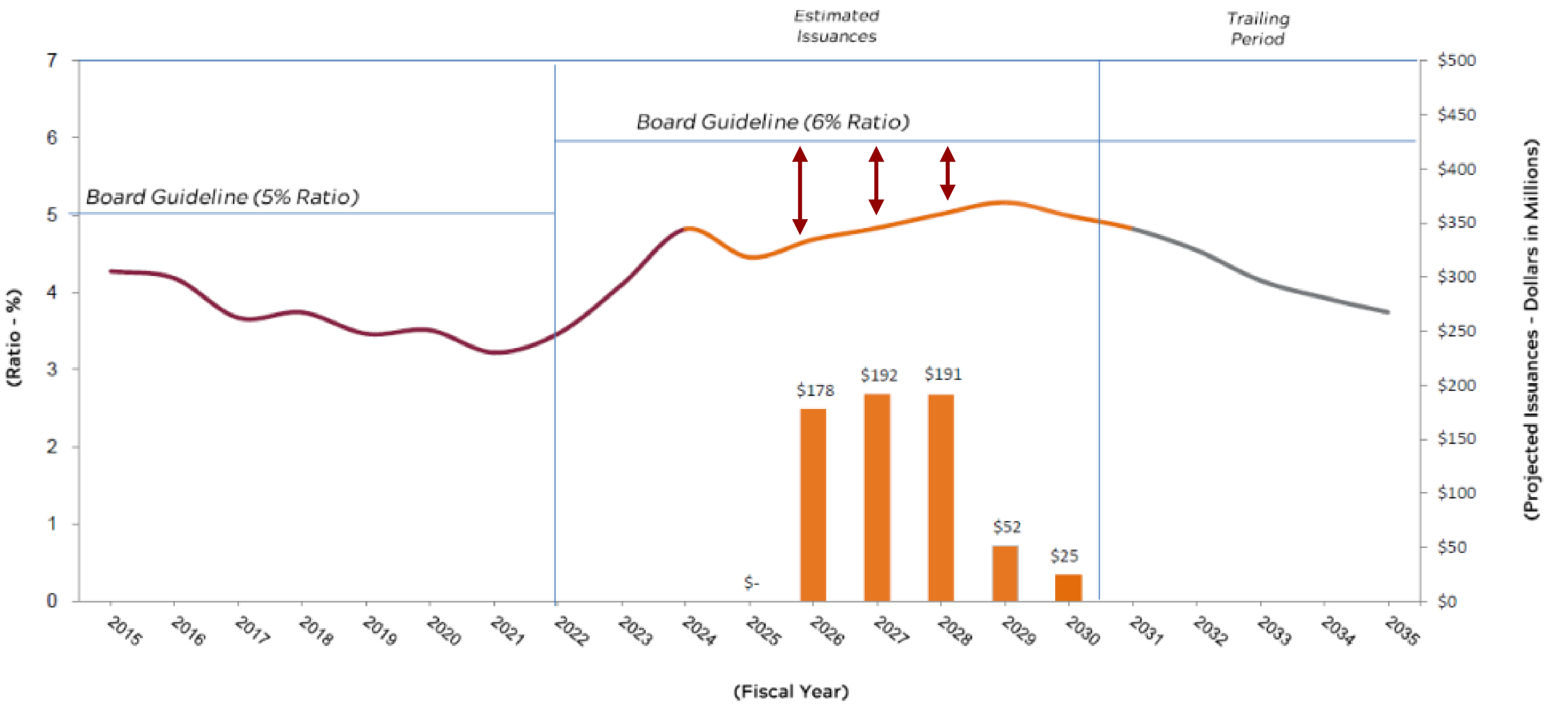
Impact on debt capacity/credit rating





- Planned issuance of $638M over next 5 years, including $330M planned for SLV Phase I
- Debt capacity reinvested to support core undergraduate program, yet retaining sufficient capacity for possible strategic initiatives (remaining well below the 6% debt service guideline)

Financial Impacts

Project structure analysis: Internal vs 3rd Party

Criteria	Internal	3rd Party	Comment
Funding Cost	=	=	VT has ability to issue Tax Exempt debt, AA1/AA+ credit rating. 50-year restriction challenging
Credit Rating Impact	=	= / +	Rating agencies assume University will step-in if project struggles, P3s therefore partially 'on-credit'
Development Cost	=	= / +	Only if Hokie Stone design principles are avoided and 50-year design specification embraced
Timing Control	+	−	Private partner will expect rapid occupancy growth and prefer supply lags enrollment need
Rent / Fees / Operational Control	+	−	For-profit partner will incur additional administrative costs and require minimum return thresholds, reducing rental flexibility
Reputational Risk	+	−	Partner will require joint decision-making on key topics, yet any project associated with VT, particularly on-campus, will impact VT's reputation

Intentional Planning

Options to address on-campus housing needs

	Renovate with No New Beds	Construct Swing Space in Existing Residential District	Add Inventory Beyond Swing Space in New Residential District
Maintain/enhance residential revenue	Negative	Neutral	Positive
Provide co-curricular spaces	Limited	Limited	Positive
Provide affordable alternatives to off-campus options	Negative	Neutral to Negative	Neutral to Positive
Enable enrollment growth capacity	Negative	Limited	Positive
Meet design principles	Positive	Negative	Positive

Moving Forward: Key Assumptions

- ✓ On-campus housing requirement for first-year students is critical for student success and well being
- ✓ Options for (limited) returning student housing creates campus community and advances learning outcomes
- ✓ Incremental capacity maintains and enhances housing (and dining) revenue, essential to the university's long-term reinvestment program
- ✓ Incremental capacity is needed for modest enrollment growth over time

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DISCUSSION

On-Campus Housing Update – Links to Planning Documents for Reference

JOINT FINANCE AND RESOURCE MANAGEMENT COMMITTEE AND BUILDINGS AND GROUNDS COMMITTEE

March 25, 2025

2006 Campus Master Plan Update

The 2006 Campus Master Plan established patterns of infill to achieve ideal densities in the core of campus. This plan implemented western expansion of the campus by proposing the Life Science District within a ten-year horizon and preserved the golf course as a future district and land bank. *Approved by the Board of Visitors in August 2006.*

2009 Campus Master Plan Update

The Campus Master Plan Amendment established an updated set of land use goals that complemented and aligned with the goals and planning objectives of the 2006 Master Plan Update.

2010 Campus Design Principles

The university's Campus Design Principles reaffirmed its design approach to the contemporary interpretation of revival Collegiate Gothic campus architecture, including massing, scale, groupings, arrangements, design features, colors, textures, and other contextual design elements. These principles communicated a commitment to stewardship of finite resources and ensured that the balance between built and natural forms developed sensitively over time, respecting the architectural language and landscape features of campus. *Approved initially by the Board of Visitors in June 2010; revision approved in August 2010.*

2015 The Virginia Tech Student Experience: Virginia Tech's Next 20 Years

This report represented an intensive study of the Virginia Tech student experience and provided recommendations to guide Student Affairs' actions and decisions between 2015 and 2035.

2018 Campus Master Plan Update

The 2018 Campus Master Plan built upon the goals and aspirations of the 2016 Beyond Boundaries visioning document and provided a strategic framework for the development of the campus. The plan included a proposed Global Business and Analytics Complex (GBAC) – imagined as a catalyst to secure the university's position as a world leader in data analytics and decision science. GBAC would consist of two connected academic buildings located on Prices Fork Road and West Campus Drive, along with two living-learning communities situated across West Campus Drive within walking distance of the transportation hub for students. The plan also incorporated a 21st Century Living-Learning District, designed to enhance the residential experience by integrating academic and co-curricular engagement. This district aligned with the university's commitment to student success by fostering dynamic residential communities that support holistic learning, collaboration, and well-being. The proposed GBAC living-learning communities would be components of this district. *Approved by the Board of Visitors in November 2018.*

2018 Master Plan Appendix: Campus Life Report

The Campus Life Report, an appendix of the 2018 Campus Master Plan, provided a guide for the development of vibrant and compelling spaces to support the university's mission and outlined key considerations for enhancing the Virginia Tech student experience.

2022 Student Life Village Supplement to the 2018 Campus Master Plan

Building on the 2018 Campus Master Plan Update that envisioned the 21st Century Living-Learning District, this supplement refined the vision for a new model of on-campus housing on Virginia Tech's Blacksburg campus, prioritizing affordability while maintaining a strong commitment to academic engagement, community building, and student well-being. *Approved by the Board of Visitors in November 2022*.

RESOLUTION ON THE STUDENT LIFE VILLAGE AND SLUSHER HALL

WHEREAS, the Board of Visitors desires to rescind the Board's actions of November 13, 2022, adopting the 2022 Student Life Village Master Plan as a Supplement to *Beyond Boundaries 2047* and restore the original unamended *Beyond Boundaries 2047* as adopted in 2018; and,

WHEREAS, the Board of Visitors desires to reconsider the decision to demolish Slusher Hall;

NOW, THEREFORE, BE IT RESOLVED that the Virginia Tech Board of Visitors hereby rescinds the November 13, 2022, adoption of the Student Life Village Amendment to the Campus Master Plan as a supplement to *Beyond Boundaries 2047;* and

BE IT FURTHER RESOLVED that the original version of Beyond Boundaries Master Plan without the Student Life Village supplement will remain in full force and effect; and

BE IT FURTHER RESOLVED that all planning and expenditure of funds on the Student Life Village cease immediately, including without limitation that the expenditure of any funds for planning Phase I of the Student Life Village approved by action of the Board of Visitors on June 6, 2023, be halted as soon as practicable under the existing contractual arrangements; and

BE IT FURTHER RESOLVED that the university take the necessary actions to remove all references to the Student Life Village from all university planning, budgetary, and capital outlay documents; and

BE IT FURTHER RESOLVED that Slusher Hall will not be demolished but instead will be renovated; and

BE IT FURTHER RESOLVED that on or before the August 2025 meeting of the Board of Visitors, the university shall present to the Board a report revising the Six-Year Plan and re-projecting deployment of the university debt capacity without the construction of Phase I of the Student Life Village; and

LASTLY, BE IT RESOLVED that on or before the August 2025 meeting of the Board of Visitors, the university shall present to the Board a plan for the renovation of Slusher Hall.

RECOMMENDATION:
That the Student Life Village and Slusher Hall resolution be approved.

March 25, 2025